



28-PAGE NEWS SECTION

England's great escape

WITH 9 PAGES OF SPORT



Terrorism's Arthur Daley

TUESDAY REVIEW FRONT

24-PAGE BROADSHEET REVIEW



The perils of perfume

HEALTH PLUS ARTS, COMMENT & MEDIA



A day of confrontation. A night of terror. In Ulster, the fear is back

THE COLD statistics convey the ugliness of it all: 384 outbreaks of disorder in 24 hours; 115 attacks on the security forces; 19 police injured, one suffering a fractured skull. Petrol bombs were thrown on 96 occasions, 403 petrol bombs were seized, 57 homes and businesses damaged, 27 vehicles were hijacked and another 89 damaged.

Northern Ireland is once again in the grip of widespread loyalist disorder as the Drumcree marching stand-off continues with no end in sight. And the impasse has only just begun. Everyone expects it get worse as the week goes on.

But even those statistics, which cover the period until 6am yesterday, do not tell the whole story. For the fear is back - the apprehension which last night kept hundreds of

By DAVID MCKITTRICK
Ireland Correspondent

lined, easily skirted and relatively manageable for the security forces to contain at times of unrest. But when loyalist Belfast takes to the streets, as happened on Sunday night and again last night, the disruption is far more widespread.

Protestants live all over the city and can easily interfere with major thoroughfares. They also have the numbers to ensure that police and troops are kept at full stretch. As a result most of Belfast was last night virtually deserted as news spread that the roadblocks had sprung up again, as they had during previous stand-offs at Drumcree and on other occasions when Protestant opinion became inflamed.

Even a simple car journey can take on a nightmarish aspect. Those manning the roadblocks are not polite men in suits: often they are belligerent teenagers spilling for a fight. Sometimes they are drunk. At times like these, many of society's normal rules go by the board, as youths with cudgels become temporary rulers of their districts and its roads.

Thus people on a routine car journey can suddenly come face to face with the prospect of anarchy and mob rule, of heavy threats, of the loss of their vehicle or worse. Many of the protesters believe in their cause and the Drumcree issue, but many are excitedly pouring out of the back streets, revelling in the belief that their community has given the go-ahead for law-breaking.

The lesson from the many precedents is that there is no way of controlling widespread loyalist protests. The Orange Order calls for support for its Drumcree struggle, then condemns the violence that results and blames the disorder on the authorities.

But the violence has come as a surprise to no one, for it invariably accompanies protests such as these. Once the loyal-



Orangemen waiting and watching at the Drumcree stand-off. Marchers say they will stay 'as long as it takes' to get the parade through

David Rose

INSIDE

The Orange Order
gropies, page 2

thousands of people behind locked doors in their homes.

Disturbances broke out late yesterday afternoon with buses and other vehicles hijacked and set on fire in Belfast, Co Armagh, and Co Antrim. With Orangemen settling in for a long siege at Drumcree itself, where things are peaceful, everyone expects the situation elsewhere to deteriorate.

The announcement that a loyalist parade would be allowed to pass along the Ormeau Road in Belfast on 13 July did little to ease tensions. The pattern is familiar in Belfast, though many had hoped the city had seen the last of it: pockets of nocturnal burnings and rioting, surrounded by much larger areas filled with apprehension and fear. Loyalist disorder is proving again to be much more destabilising and unnerving than nationalist rioting.

Republican ghettos, as the term implies, tend to be well-de-

ists take to the streets, discipline disappears, cars get hijacked and torched, and the fear spreads.

Not everywhere goes up in flames: the full-scale clashes between the youths and police are reserved for the real hotspots, which this time round are Sandy Row in Belfast, Londonderry, and the town of Carrickfergus in Co Antrim. When places like these are seething sensible people go nowhere

near them. But the fear is everywhere: most people get to work in the mornings, but the charred vehicles at the roadside and the scars where the tarmac has boiled serve as ugly reminders of the power of the mob, and of the dark forces that can be unleashed in times of Protestant crisis.

Behind the scenes, efforts go on to find a way out. David Trimble, who was once identified with Drumcree, but is now - as

Northern Ireland's First Minister - seeking a resolution, yesterday held meetings with political figures and church leaders. Urging people not to break the law, he declared: "This situation has the capacity to destabilise, and if the situation is not resolved satisfactorily it could put at risk all the political progress we have achieved."

He denied newspaper reports that he had threatened to

resign his new position unless the Drumcree march was allowed through. Describing the reports as rubbish, he added: "I have made no such threat. I am not in the business of making that sort of histrionic demand."

At Drumcree itself, where hundreds of Orangemen are camped out, the mood was one of determination rather than confrontation. The Order's leaders say they will stay there "as long as it takes" to get the

parade down the Catholic Garvaghy Road.

Nationalists, meanwhile, took exception to the announcement that an Orange parade would be allowed through the disputed lower Ormeau

district of Belfast on 13 July. Most recent loyalist parades seeking to use the route have been banned, but the Parades Commission denied the decision represented a trade-off for the Drumcree ban.

New lobbying links embarrass Labour

MINISTERS WERE embroiled in a deepening crisis last night as new links emerged between Labour and the lobbying industry.

As Downing Street sought to damp down the crisis yesterday it emerged that Derek Draper, a lobbyist and former aide to Peter Mandelson who is accused of offering access for cash, is planning a series of seminars with ministers.

Roger Liddle, Mr Draper's former business partner who

By FRAN ABRAMS
and DAISY SAMPSON

now works in the Downing Street policy unit, will have a star turn at the seminars.

The Independent has learnt that the seminars, which will be held around the country for Labour Party members, will be used to try to "fix" the party's autumn conference. At a recent meeting, leaders of Mr Draper's Progress organisation discussed how they would use the

workshops to identify sympathisers and then prime them to support Tony Blair at Blackpool.

Among the ministers billed to appear at the seminars were Chris Smith, Secretary of State for Culture, Media and Sport; John Reid, a Defence minister; George Howarth and Joyce Quinn, two Home Office ministers; Derek Fatchett, a Foreign Office minister; and Tony Worthington, a Northern Ireland minister.

The Welsh Office minister,

Peter Hain, the Defence minister, John Spellar, and George Foulkes, the International Development minister, were due to appear at a weekend school at the end of this month.

The brochure said Mr Liddle would amuse guests on Sunday morning with a 'Cabinet game', a government role-play exercise which in the past has been great fun.

Other seminars will be held throughout the summer in Glasgow, London, Aberdeen,

Birmingham, Newcastle, Liverpool and Sheffield. Afterwards, Progress members plan to single out Blairites for special attention in advance of the party conference.

The new revelations came as Mr Draper was suspended by his employer, GPC Market Access, and a former adviser to Gordon Brown, Karl Milner, was humiliated by his firm after leaking a select committee report before its publication.

Mr Milner, a lobbyist with

GJW, may now face a grilling by the trade and industry committee about the incident. Wilf Weeks, GJW's chairman, has promised an internal investigation with a view to taking disciplinary action and apologised to Mr Milner's behalf.

The lobbyists' professional body, the Association of Professional Political Consultants, also condemned the apparent breaches. It said it would write today to GPC and GJW demanding an explanation.

Tories in a spin as William goes missing

TO HER credit, the woman at Conservative Central Office was refreshingly honest.

"We don't know where he is. We know he is with his press officer but we don't know where," she said.

Poor William Hague. Where he should have been yesterday morning was on his way to the Pavilion Gardens at Buxton, Derbyshire, for a function with

By ANDREW BUNCOMBE

local constituency parties. Having been away from politics with sinusitis for two weeks, this should have been his triumphant return to work and a chance to dispel rumours that his illness had been brought on by the stress of rivals scheming to get rid of him.

And that was why the CCO

was keen to ensure the media were on hand to record its leader's come-back, issuing a press release on arrangements last Friday.

Unfortunately what it failed to do was liaise with the local party. So when the media checked early yesterday morning to make sure Mr Hague would indeed be there, there was a note of puzzlement in the

official's voice. "Er, no, sorry. We are not expecting him until 4pm this afternoon," he said.

Confused? So were we. A call to the pavilion itself did not help. Yes, Mr Hague was expected, but not until the afternoon.

A call to the CCO was even more confusing. "No, Mr Hague will be there at 10am," insisted a spokesperson. "Of course I am sure." To prove the point, they

faxed the press release again.

Eventually, after yet more calls, it was the turn of the refreshing woman in the press office explaining simply that the press release was wrong. It was a fax pas as much as a fax pas.

And with the matter cleared up, did all eventually go smoothly for Mr Hague yesterday afternoon? Of course not. He turned up 12 minutes late.



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A Canadian businessman who fled to Britain with millions of dollars of clients' money was jailed for life for the murder of a man whose identity he stole. Page 5

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Millions of Britons live in a country better described as "cruel Britannia" than Cool Britannia, according to the chairman of the British Medical Association. Page 10

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Three works by Van Gogh and Cezanne stolen from Rome's National Gallery of Modern Art in May have been recovered by Italian police. Page 12

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Israel's new anti-personnel rocket can be guided over mountains, through valleys and round houses in its search for a target. Page 13

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Chiroscience is to pay £3.25m to its former chief executive after a last-minute settlement ended a two-year long legal battle. Page 14

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Matthew Clark is to close its Taunton cider facility with the loss of more than 100 jobs. Page 17

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Danny Wilson is the new manager of Sheffield Wednesday. Page 24

Mystery illness hits Boardman

Chris Boardman has been struck by a mystery illness five days before the Tour de France opens in Dublin. Page 20

TUESDAY REVIEW

24-PAGE BROADSHEET SECTION

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"Is Amnesty International a political body or a charity? Amnesty's freedom to advertise in this country depends upon how these questions are answered." Page 3

Gavin Esler

"American super-lobbyists know the phone numbers to ring, and the calls are always returned." Page 5

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Parade monitors sing for peace

JOANN CHASE of the Arikari Mandan Hidasa nation really cares about what happens at Drumcree, so much so that she has flown 3,380 miles from Washington DC to be here for the Orange Parade threatening the fragile new peace in Northern Ireland.

The native American, originally from North Dakota, is not the only one. Evelyn Harris, a native Afro-Caucasian-American is also here to help. She is a performing artist, and believes music is the key to healing the strife between the Nationalist and Loyalist communities. She has already tried to put this into practice with a sing-song at the Drumcree community centre.

Joann and Evelyn are just two of the 80-odd international observers who are in Northern Ireland as the Loyalist parade season gets underway. They are part of Peace Watch Ireland, a Boston, Massachusetts-based organisation which has been monitoring the conflict. Among the others are the Irish Parades Emergency Commission and The Table Campaign, both based in Eire. The Interfaith Centre on Corporate Responsibility, and the Lawyers Alliance for Justice in Ireland, based in North America; Coalition for Peace in Ireland and Information on Ireland Campaign of Canada. There is also Senator Tom Hayden from the US, the former husband of Jane Fonda, who is here independently.

Ms Chase, 35, director of the Native Congress of American Indians, was on her first visit to Ulster. She said: "As native Americans we do feel something towards people who are oppressed all over the world. We are trying to help communities that are trying to empower themselves."

Faith Smith - a member of the Peace Watch Board, the President of the Native American Education Service and a member of the Ojibwe Nation - said of the Orange men's desire to walk down the Catholic Garvaghy Road: "That would be totally against the law and cause widespread damage. In fact these people are probably breaking the law by congregating outside the church as they are. However, what we must aim for is a peaceful

BY KIM SENGUPTA
AND NICOLE VEASH
in Drumcree

solution to the whole problem." There is no question, the women stress, of any religious bias on their coverage of this sectarian issue. Both Ms Chase and Ms Smith believe in the spiritual religions of their native American nations and Ms Harris is a pantheist.

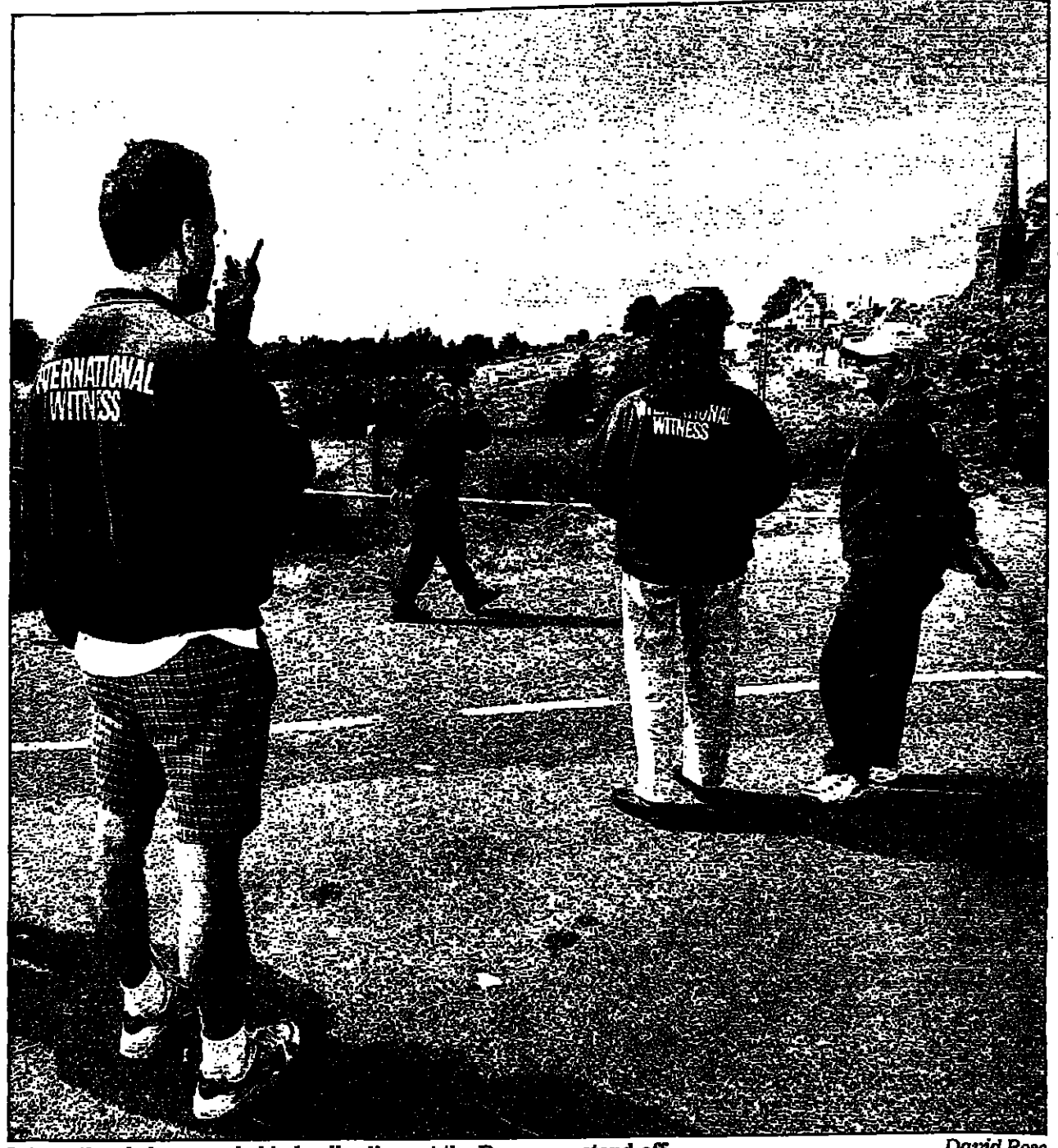
Walt Pollard, of the Lawyers Alliance for Justice in Ireland, a corporate lawyer in New York, has a self-confessed paucity of knowledge of Ulster politics. "My knowledge is small, but it is hopefully growing. However I do know about human rights," he said.

He and colleagues have to monitor the administration of justice in the region, but he added: "I do not have much experience of British law or understanding myself. It's really our presence that counts." One of his excursions to find out more about local politics was traumatic. He is now too scared to go and meet the Orange Order marchers after they called him "a Fenian Bastard" on a visit to their Drumcree Church encampment. "They also held up their hands. I don't think it was a Nazi salute. But it may have been the red hand of Ulster. Whatever it was, it was quite frightening," he said.

Mr Pollard bemoans the fact that the Americans have lost out on the sartorial challenge of peace-keeping. "The Canadians have got themselves shiny blue jackets with 'International Observer' written on the back. We only have yellow T-shirts, and there aren't enough of them," he said.

The Peace Monitors are not the only visitors. Stefan and Eva Kormorowski, from Dusseldorf, and some friends, brought down the Berlin Wall simply by thinking very hard, they say. Mr Kormorowski adds: "However, this... will take too long to explain." Then he grabbed his wife's hand and strode off.

TL Thousand, from California, says she is making the definitive documentary on the Northern Irish troubles. It has taken her five years so far, and she was somewhat vague about the practicalities of finance, distribution and so.



International observers behind police lines at the Drumcree stand-off

David Rose

Police shake-up over use of Yardies as informants

BY IAN BURRELL
Home Affairs Correspondent

by a registered police informant in 1995.

Delroy "Epsy" Denton, 36, a Jamaican criminal with a long history of violence, was sentenced to life in 1996. He had entered Britain in 1993, using his brother's passport, and was being paid £50 a week as an informant registered with the Home Office.

But within a year of his recruitment by detectives anxious to gather intelligence on Yardie criminals he gained entry to the flat of Marcia Lawes, 24, raped her and stabbed her 18 times.

Complaints by the victim's family are the subject of an investigation by the PCA.

Yesterday's report highlighted public concerns over the police's use of illegal immigrants "for the purpose of act-

ing as informants, particularly in connection with illegal drugs trafficking".

This was a reference to the disastrous decision to allow a Jamaican gangster, Rohan Thomas, to enter Britain illegally in order to raise the credibility of police informant Eaton Green, who was helping detectives in unravelling a series of unsolved Yardie killings.

Thomas, 36, had served 14 years of a 15-year sentence for shooting a policeman in Jamaica.

When he joined up with Green in Britain, the pair carried out the systematic robbery at gunpoint of more than 100 party-goers in Nottingham.

Commander John Greive of the Metropolitan Police, later apologised for endangering public safety but described Green as "an extremely successful informant".

Yesterday, Met Assistant Commissioner Denis O'Connor, who sits on the working group, said he could not "completely and utterly" rule out the future use of illegal immigrants as informants.

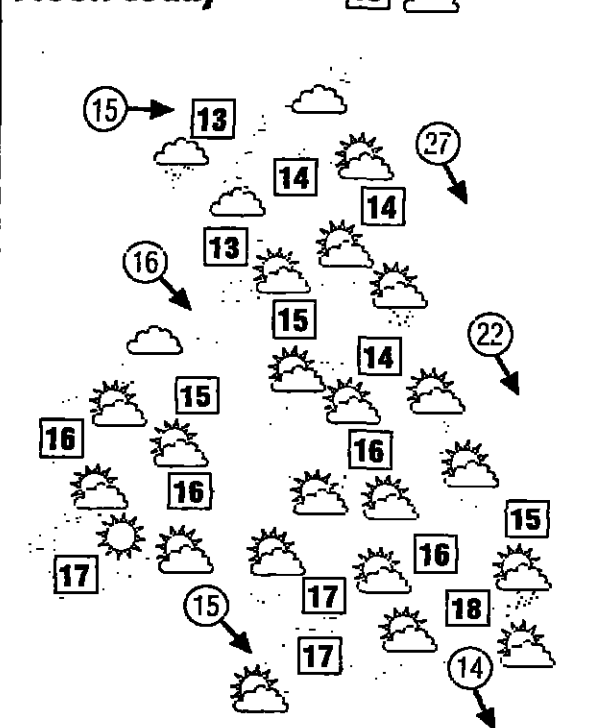
But he said informants had helped the Met prevent 11 murders, including four attempted contract killings, in the last 18 months. The force has several thousand registered informants but their average pay amounts to only £159 a year he said.

The report called on television programmes like *The Bill* to give a more authentic portrayal of informants.

It advised: "The public should not be under any illusions about such individuals: few are altruists and the majority are serving their own ends and most are involved in some form of criminal activity."

BRITAIN TODAY

Noon today



OUTLOOK

Most of England and Wales will be dry with spells of hazy sunshine, although there is a risk of a light shower, especially through the eastern side of England. After a bright morning, cloud will tend to increase across Northern Ireland, North-west Scotland will be cloudy with patchy drizzle arriving this afternoon. The rest of Scotland should be dry with morning sunshine, but cloud will spread across later and it will be disappointingly cool for July.

NEXT FEW DAYS

Tomorrow, Scotland and Northern Ireland will be mainly cloudy with outbreaks of rain. Northern England and north Wales will also have a lot of cloud and some rain at times. The rest of England and Wales will stay dry with sunny periods, although it will be cloudier by the afternoon. Thursday will be warm with sunshine, but showers are possible. Most parts will be warm by the end of the week but it will remain unsettled.

YESTERDAY

BRITISH ISLES WEATHER									
Most recent available figure at noon local time									
Temp	15	15	Berry	14	13	Manchester	14		
Wind	16	16	Bolton	14	15	Warrington	14		
Humidity	72	72	Edinburgh	16	61	Blackpool	14		
Cloud	10	10	Exeter	10	70	Cardiff	14		
Pressure	1015	1015	Glasgow	17	62	Plymouth	14		
Sea	10	10	Harrogate	16	61	Scarborough	14		
UV	10	10	Leamington	15	61	Sheffield	14		
Wind	16	16	Leeds	16	61	Sunderland	14		
Cloud	10	10	London	16	61	Swansea	14		
Pressure	1015	1015	Manchester	16	61	Torquay	14		
Sea	10	10	Newcastle	16	61	Walsley	14		
UV	10	10	Nottingham	16	61	Widnes	14		
Wind	16	16	Sheffield	16	61	Wigan	14		
Cloud	10	10	Southampton	16	61				
Pressure	1015	1015	Stoke	16	61				
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UV	10	10	Swansea	16	61				
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A classical dilemma for the BBC as Radio 3's controller walks out

NICHOLAS KENYON yesterday stepped down, two years early, from the post of controller of BBC Radio 3.

His successor will need a love of classical music, an eclectic interest in the arts, which will cover the station's speech and drama output, and a serviceable flak jacket.

As even the affable and expert Nick Kenyon discovered, running the BBC's classical music station in the era of Classic FM puts you on a hiding to nothing.

On the one side, you have the BBC radio controller Matthew Bannister, late of Radio One and deeply conscious of cost, ratings and Classic FM.

On the other, you have the Radio 3 lobby, diehard traditionalists who see even the moderate compromises Kenyon made to more populist programming as betrayal and dumping down.

Kenyon has extricated himself from the station rather brilliantly. He has kept the directorship of the Proms, something he desperately wanted to retain. And he has landed a prestigious if time-limited new post, co-ordinating all the Corporation's programming on radio and television related to the millennium, starting in the autumn of 1999 and lasting throughout 2000.

He said last night: "I can't think of a more welcome adventure than the millennium alongside my continuing commitment to the Proms."

But if Kenyon has managed a graceful exit, that cannot disguise the continuing dilemma of Radio 3: the BBC's most expensive station, yet the one with the smallest reach. It costs £58.8m a year to entertain and educate 2.6 million listeners. Classic FM, as Kenyon grew sick of hearing, has 5 million listeners.

To take one staggering statistic, it costs £18m to maintain the BBC orchestras, more than the Arts Council spends on orchestras throughout the country. Kenyon fought hard to stop the BBC axing at least one and probably more of the orchestras. He counts it one of his great successes.

He can also point to the retention of live music as the kernel of the network, the championing of new work and large thematic projects, such as Fairfest Isle for the Purcell tercentenary, and Sounding The Century, a celebration of 20th-century work.

Friends of Kenyon say he used to despair of having Classic FM rammed down his throat at every performance re-

BY DAVID LISTER
Arts News Editor

view meeting at Broadcasting House. He thought he should be measured, not against Classic FM, but against Radio 3's sister service Radio 4.

"He never rushed down the 100-best-tunes route," a close colleague said. "Yes, he made changes to presentational style, and he borrowed Classic FM's use of short pieces of music for drivetime programmes, but only for those particular times of day." And while there is not as much speech and drama as when Kenyon took over six years ago, Radio 3 still has a steady stream of plays, with occasional landmark events such as Sir John Gielgud in *King Lear*.

Programmes such as *Mining The Archives*, which for example looked at the influence of great violinists of the past, used an expertise and the resource of the BBC library that Classic FM does not have.

He also made mistakes, usually during the periods of panic aping of Classic FM. Preaching Paul Gambaccini from Classic FM failed to impress Radio 3 listeners, and the relationship ended quickly with maximum embarrassment all round.

But if Kenyon, previously classical music critic of the *Observer*, was determined to guard Radio 3's integrity from philistines within the Corporation, his own critics gave him precious little credit for it.

Tony Scotland, a presenter for 20 years, accused him of ending the tradition by which "one listened and learnt, and looked up later, perhaps, what the context occasionally failed to explain. The scholarship was lightly worn, the tone was authoritative but never intimidating, and the announcers spoke directly to us, as friends, in civilised and articulate English." A headline in the *Spectator* used a classical music allusion to make its point more succinctly: "Diminished Third".

But Kenyon never perhaps got the credit for keeping the cost-cutters and Classic FM wannabes at bay. He was always a rarity in the BBC hierarchy, refreshingly relaxed, candid and jargon free, and often as shambolic looking as when he loped into the *Observer* office with his satchel.

As he said to me not long ago: "Remember, this was the time when we could have been decimated by an easy alternative. We haven't been. And I've been absolutely rigorous in not changing the demanding and adventurous repertoire by one

iota. What I've done is to change the way we talk about it and, of course, people pay far more attention to that."

Whether Radio 3 can post-Kenyon stick to its live music, new music, complete works and speech and drama remit is the big question. While Kenyon's graceful exit means he will not fire any broadsides at the BBC hierarchy, there is little doubt that he and Bannister had markedly different visions for the station, and that there were people even in Radio 3 who wanted to take the Bannister route to higher ratings and greater economies.

The Radio 3 executive Hilary Boulding is said to agree with the Bannister approach, and if she is appointed as Kenyon's successor, changes in the station's approach are likely.

A traditional music enthusiast, such as the Radio 3 presenter Michael Berkeley, would signal a continuation of a Radio 3 which refused to bow to Classic FM's influence.

What is clear is that Kenyon's personality - charming, eager to please and cautious - was part of his slow downfall at Radio 3. BBC management compared him adversely to James Boyle at Radio 4, who rushed changes through in 12 months, while still going through at least the appearance of a consultation process. Kenyon's changes were more gradual, yet he still seemed to attract criticism from a lobby every bit as vociferous and articulate as the Radio 4 listeners.

Kenyon has told friends he was baffled that Bannister had been content for Radio 1 to lose listeners while developing a new and distinct identity, but was not prepared to extend the same consideration to Radio 3. Bannister yesterday praised Kenyon for "maintaining Radio 3's high level of cultural context and its commitment to the best and most adventurous live classical music."

The answer to the problem of Radio 3 is one unlikely to appeal to the present BBC hierarchy. It should be ring-fenced from the usual frenzy over ratings. It performs an invaluable education function in its commitment to live and new music.

The licence fee and the continuing battle to keep it demands that the BBC can show Radio 3 is reaching out to more and more people say some insiders. But there is a contrary argument. The licence fee should also mean, indeed rather mean, that the BBC can show that Radio 3 provides an educational and cultural function not replicated anywhere else.



Nicholas Kenyon, whose eager-to-please personality was part of his downfall at Radio 3. *Kalpesh Lathigra*

FAVOURITES TO SUCCEED

MICHAEL BERKELEY

Composer and presenter of the Radio 3 programme *Private Passions*. A classical composer running Radio 3 would have Lord Reith smiling in his grave.



ELAINE PADMORE

Opera director. She runs the Danish Royal Opera, and before that directed the *Wexford* festival. If a critic can run the station for six years, why not an opera producer?



HILARY BOULDING

Already on the staff at Radio 3, where she has the slightly opaque title of Commissioning Editor, Music (Policy). She is said to be favoured by the Bannister camp, and is thus a hot favourite, brackets or no brackets.



DAVID MELLOR

Has one of the largest CD collections in the country and could make a post-modern synergy between classical music and football. Classical music also badly needs a phone-in programme.



JAMES NAUGHTIE

Grilling politicians may be his day job, but opera and symphonies are his true loves. The people's choice.



The female verdict on Viagra - it doesn't do anything for us

CLAIMS MADE for the anti-impotence pill Viagra may be overblown.

Women partners of men who take the drug were consistently less impressed by its effects than the men, according to surveys originally left out of a scientific paper published in the *New England Journal of Medicine*.

The reports on Viagra's effects came from the subjective impressions of the men who took it, rather than their partners who experienced what it delivered.

Some of the NEJM's magazine's editors were also uncomfortable that the study of 532 men, published on 14 May, relied entirely on the men's opinions about how their performance improved, with no ob-

BY CHARLES ARTHUR
Technology Editor

jective measurement of what occurred.

"This is the first impotence study we have published that contained no laboratory or clinic data," said Robert Utiger, the magazine's deputy editor.

"We had wondered why at least the men's partners hadn't been interviewed."

However, he said, it transpired that some of the women had been interviewed but only a minority of them had reported on the effects. "So they didn't include it in the paper."

The differences could have been significant. Men taking Viagra reported success rates of between 48 and 73 per cent. But only 48 per cent

of the women involved thought it had been a success.

By contrast, 22 of the men receiving a simple placebo pill reported success.

Possibly the men taking Viagra were focusing on one aspect of its effect, and the women on another.

But the unpublished results also highlight the fact that the paper used subjective responses by the men to a 15-question report.

"Usually the alternative in this instance would be to include the data from the partner, or from objective means," said Dr Utiger.

Previous medical studies into impotence have included results from machines which measured levels of physical arousal using a pair of wires

which clipped over the penis.

Those were entirely absent in the NEJM paper, submitted by a team of doctors based at a number of sites.

William Steers, chief of urology at the University of Virginia, headed one of the teams.

He told the *New Yorker* magazine he was "not at all happy" about the use of subjective measures, and noted that his own study of female partners' opinions, taken in the course of the larger study, showed their mark for the drug was "always lower than the men's."

Viagra, manufactured by the pharmaceuticals company Pfizer, has been a runaway hit since its launch in the US in March, when it won approval from the US Food and Drug Administration.

It is expected to be available in Britain later this year, but only on prescription from specialists rather than GPs. In the US it is available from family doctors.

But Dr Utiger warned yesterday that whatever effects Viagra may, or may not have, in the short term they were not necessarily indicative of how well it will perform if taken for years.

"It's possible that with this, as with any other drugs, it is after taking it for a year, or several years, that you really get a picture of its benefits and risks."

Dr Utiger said the difference shown between the men given Viagra and those on the placebo was "substantial".

Business, page 14

Roy Rogers, the singing cowboy, is dead

THE LAST of the great singing cowboys has ridden off into the sunset. Roy Rogers, aged 86, died early yesterday of heart failure at his home in Apple Valley, California.

He was better known to America's younger generation for the chain of fast-food restaurants that bears his name, than for his films. But to anyone who grew up in the 1940s, he was the king of the cowboys.

Rogers was born Leonard Slye in Cincinnati, an unlikely

BY ANDREW MARSHALL
in Washington

home for a Western hero. But he hitch-hiked west and learnt his trade the hard way on a ranch in New Mexico, before taking his singing act on the road. One day he stopped at a tailor's shop in Glendale, California, to get his ten-gallon hat mended, heard that one of the studios was looking for a singing cowboy, and never looked back. He made 35 films,

with his wife, Dale Evans, and had his own radio and television show. He would end them with his theme song, "Happy Trails to You".

Roy Rogers mythologised a way of life that had great sentimental power in America, but when he was making his films, the cowboy life was already dying out. It survives to some extent on the ranges of the West, though these days the cowboys, with their ten-gallon hats and clinking spurs, take

their horses out on trailers attached to pick-up trucks.

Mr Rogers is unlikely to suffer the same fate as his famous palomino, Trigger, who was as prominent as he was in the films. The horse cost Mr Rogers \$2,500 (£1,500), a fortune in the 1940s, but was undoubtedly the smart part of the act.

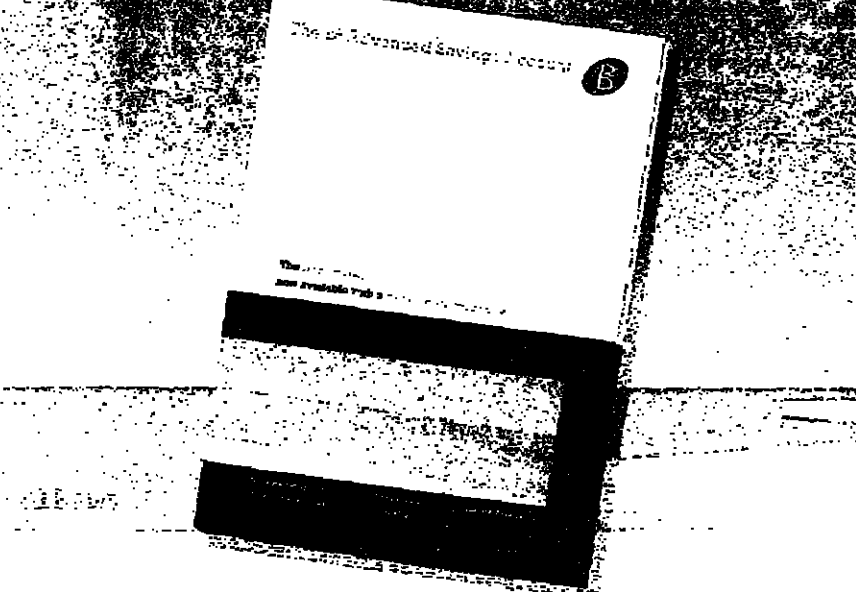
Trigger has been stuffed and put on display in the Roy Rogers museum in California.

Obituary, Review, page 6



Rogers: king of cowboys

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Black.
Sleek.
Beautiful.
Amazing features.
Tiny Brain.

Black.
Sleek.
Beautiful.
Amazing features.
Don't even think about it.



Which part of the divine Ms Campbell's body holds the most allure for people? Her legs? Her lips? Her breasts? Perhaps her brain? No, it's unquestionably her right hand. In which can be seen the Olympus Mju II.

Naomi herself fell so much in love with the Mju II (lucky camera, we say) that for a year it became her constant and devilishly

attractive companion as she travelled all over the globe modelling, coming into contact with the great and the good and generally making the world a more beautiful place.

The photographs she took during this time can soon be seen in a forthcoming exhibition. These surprising, often funny and sometimes moving pictures naturally owe a lot to her eye.

In addition, they owe a lot to the technology that helped to make the Mju II the European compact camera of the year '98.

Unlike many comparable compacts, it has a far superior 35mm F2.8 lens. It also has the crucial anti-red-eye flash, a unique weatherproof construction (ideal for when Naomi finds herself back home in rain-soaked Britain) and it's as

small as its £99 price tag. Finally, as you would expect, this particular object of desire comes complete with auto load, auto rewind, auto exposure and auto focus.

So it is every bit as simple as that other rather famous black, sleek, beautiful model. That's right. The Mju mark I.

THE OLYMPUS MJU II

Identity-theft killer gets life sentence

A CANADIAN businessman, who fled to Britain with millions of dollars of his clients' money, was yesterday jailed for life for the murder of a friend whose identity he stole.

Albert Walker set up home with his daughter Sheena, who pretended to be his wife, after taking the identity of his friend, Ronald Platt, and paying for him to emigrate to Canada.

But the real Mr Platt returned to Britain when his new life turned sour and proved an "acute embarrassment" to Walker, who murdered him, Exeter Crown Court heard.

Mr Platt, 51, drowned after being weighed down with a 10lb anchor and thrown from Walker's yacht six miles off the south Devon coast. All identification had been removed, but police traced him through his Rolex watch and untraveller Walker's double life.

Walker, who was Interpol's fourth most wanted man when he was arrested, remained impassive as the jury of eight women and four men convicted him of murdering Mr Platt, a television repair man, after just two hours of deliberation. He is also wanted in Canada to face 18 charges of fraud, theft and money laundering.

During the 11-day trial, the court heard that Walker, 52, left Canada in December 1990, with his 15-year-old daughter, the second of his four children, and booked into the Ritz Hotel under the name of David Davis. He allegedly left with "very substantial funds, not all of which belonged to him," said Charles Barton QC, for the prosecution.

In 1992, Walker met Elaine Boyes, Mr Platt's girlfriend of 10 years, in Harrogate. She revealed that her lover had lived in Canada as a teenager and wanted to return to live there.

Walker subsequently offered her a job and Miss Boyes and Mr Platt became directors of the Cavendish Corporation, an off-the-shelf company which

BY KATE WATSON-SMYTH

was bought, run and financed by Walker.

The following December, Walker offered them air tickets so they could go to Canada. But before the couple left, Walker claimed, Mr Platt agreed to obtain a new driving licence for him, and gave him his birth certificate and credit card, to enable him to carry on the business account. Mr Platt and Miss Boyes flew to Canada in February 1993 - after Walker had arranged to have rubber stamps made of their signatures so that, he told Miss Boyes, he could wind down the Cavendish Corporation.



Walker: Killed friend after stealing his identity

With Mr Platt thousands of miles away, Walker began to use his identity and by August that year he and his daughter were living in Tiverton, Devon, calling themselves Ronald J Platt and his wife Noel. In 1994, the couple moved to Woodham Walter, Essex.

Mr Platt returned from Canada in 1995 and contacted the businessman. "After Platt's return to Britain, Walker was maintaining him and seeing him weekly and there appears to have been a degree of exasperation," said Mr Barton.

Walker said that in June 1996, Mr Platt agreed to go to France to look for property to

set up a business there. In early July, Walker took Mr Platt to south Devon, where his yacht was moored. On 20 July 1996 the two Ronald Platts went sailing. Only one of them returned.

The real Mr Platt drowned after being hit over the head and pitched overboard with the anchor through his belt. It was sheer coincidence that a Brixham trawler was working in the spot where the body had been dumped and fished it up eight days later. The serial number of his Rolex watch eventually led police to Walker.

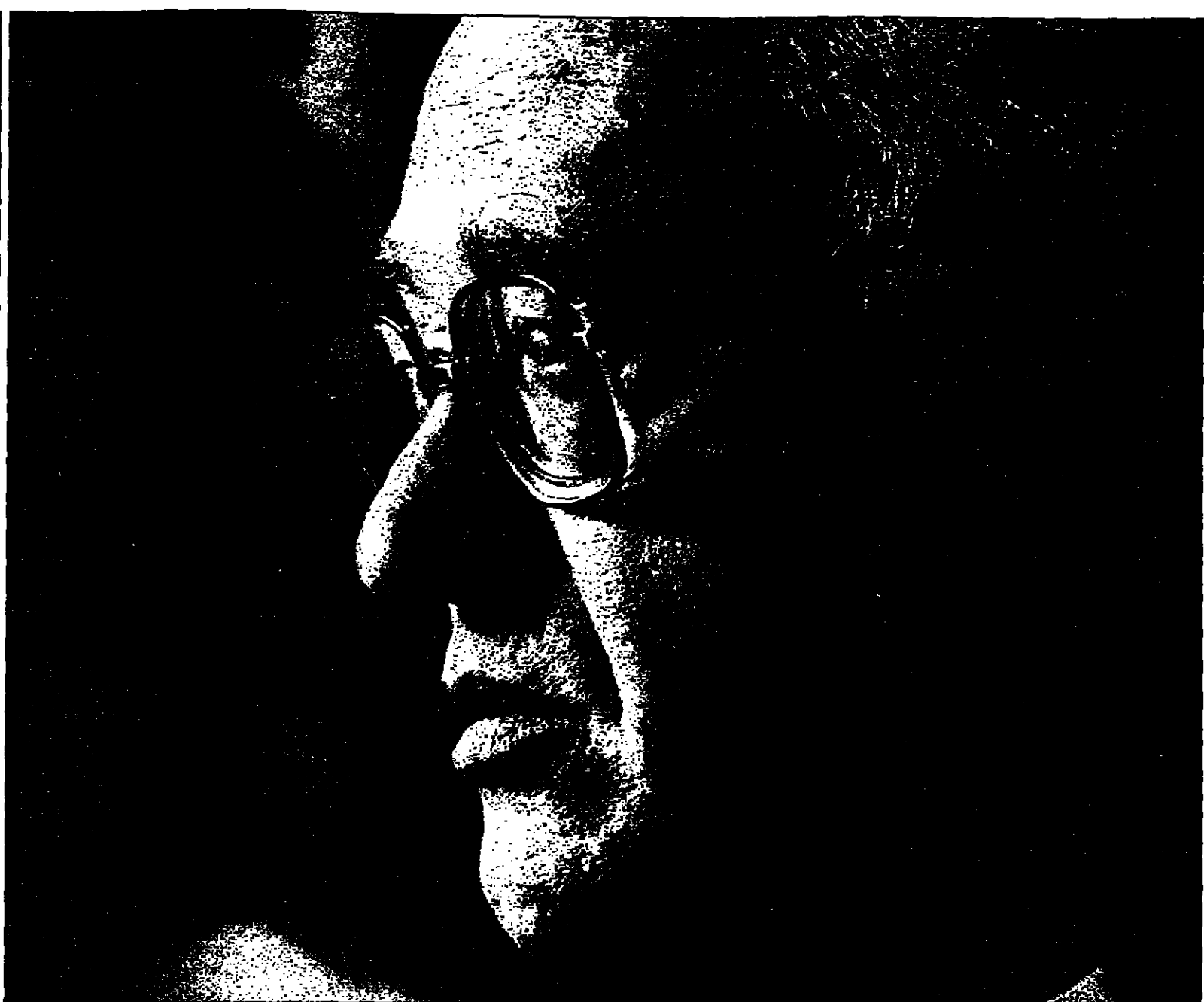
He told his daughter that Mr Platt had gone to France, and put the dead man's belongings into storage. When police arrived at the empty flat, they were given the name and mobile telephone number of a David Davis whom Mr Platt had used as a reference. Mr Davis was contacted and informed of Mr Platt's death but said that he could shed no light on it.

However, detectives decided to re-interview Mr Davis, but when they went to his rented farmhouse at Woodham Walter they knocked on the wrong door. The occupant told the officers that his neighbours were Ronald Platt and his young wife, Noel. He said he had never heard of Mr Davis - an alias that Walker had abandoned.

Walker was arrested at gunpoint after he left his home in late October 1996.

In November, Walker - still using the name David Davis - appeared before magistrates in Torquay, Devon, charged with murdering Mr Platt. But a few days later Canadian police finally identified "David Davis" as Albert Walker.

After the trial, Miss Boyes said she was planning to write a book about her experiences, and the actors Susan George and her husband, Simon MacCorkindale, who attended the first day of the trial, are thought to be interested in a film project about the case.



George Carey, Archbishop of Canterbury, says international conference of bishops will not break down over homosexuality John Houlahan

Archbishop of Canterbury dismisses idea that gay debate will split Synod

BY CLARE GARNER

THE ARCHBISHOP of Canterbury yesterday rejected doom-mongers' predictions that the international gathering of 800 Anglican bishops at Lambeth Conference later this month will be torn apart by the issue of homosexuality.

At the last conference 10 years ago, the controversy was women priests; this time, it is gay priests. But Dr George Carey, who opposes the ordination of practising homosexuals, is optimistic that the subject will not prove fatal to the

unity of the international Anglican Communion.

"We always come with issues like this, and to our great surprise we find ways of resolving the issue," he said at a briefing at the General Synod in York. "For example, in 1988 some were predicting the break-up of the Anglican Communion over the ordination of women. All the forecasters may be pleasantly surprised and even some of the bishops themselves may be

coming thinking this is a crunch conference - but I don't think it will be."

Dr Carey stressed that sexuality was just one subject among many on the agenda at the three-week conference in Canterbury, Kent, which begins on Sunday 19 July. "However, it is an important subject," he conceded. "Especially for Bishops in the West."

"As you know, I take a traditional line on this, and probably the great majority of bishops adopt a similar approach."

Whatever view bishops incline to, we must listen carefully to one another knowing that this contentious issue will not be resolved by anger and bitterness, but in the context of prayer and fellowship."

Bishops taking the opposite view to Dr Carey on gay priests come mostly from the United States, where they are led by the Right Rev Jack Spong, Bishop of Newark, New Jersey, an ultra-liberal who has put these on the Internet in which he denies basic Christian doc-

trines such as the Resurrection of Christ.

Dr Carey also spoke of his delight at the "enormous success" of the international mission dubbed the Decade of Evangelism. Asked how he could take this view, given dwindling church attendance, he said: "I don't think of evangelism as just counting the scalps. It's to be an outward, confident church. This is happening, not so much in terms of numbers but the quality of our life, leadership and clergy."

CSA reforms to simplify maintenance payments

POORER FATHERS and working mothers will lose out while richer fathers and mothers on benefit will gain under new plans for the controversial Child Support Agency unveiled by the Government yesterday.

The Green Paper, announced by Harriet Harman, Secretary of State for Social Security, involves absent fathers paying a set percentage from their net income with the emphasis on ensuring "more fathers pay more, rather than that fathers pay more."

According to DSS calculations, one in four lone mothers - around 100,000 - will be worse off as a result of the changes, while fathers will, on average, see the maintenance they pay drop from £38 a week to £29.

BY GLENDA COOPER
Social Affairs Correspondent

The CSA, which has been dogged by criticism since its inception in 1993, currently spends 90 per cent of its time assessing maintenance and only 10 per cent on collection. More than 100 pieces of information are gathered before an assessment can be made. As a result, the taxpayer is supporting more than 1.8 million children who are not receiving any maintenance from their non-resident parents. The total cost is some £10bn a year.

"Our reform of child support involves replacing the Byzantine complexity of the current formula with a simple percentage," Ms Harman told the Commons. She said that for one

child, 15 per cent will be deducted from the father's net income and paid in maintenance - rising to 20 per cent for two children and 25 per cent for three or more children.

The proposals, which should be in place by 2001, will also allow lone parents on income support to keep up to £10 a week of any maintenance paid for their children - a change from the current system where for every pound paid in maintenance by the father a pound is deducted from the mother's income support.

More than 60,000 absent parents who are currently exempt from any payment would start paying £5 a week. "Fathers on benefit have as much of a responsibility for their children's

income as those with earned income," said the Green Paper. "Personal circumstances cannot negate responsibility."

Commenting on the proposals, Maevie Sherlock, of the National Council of One Parent Families, said: "While we welcome the principle of a simple formula to ensure reliable payments, we are concerned that levels of maintenance assessment for lone parents will drop too far."

For the Liberal Democrats, David Rendel said the proposals were "full of holes". He warned: "Their rigid formula will work fairly for only a small minority of cases. For example what about those with a variable income and the self-employed? How will unearned income be taken into account?"

IN BRIEF

Suspect in Newcastle child murder remanded in custody

A MAN charged with murdering 11-year-old Wesley Nealey was remanded in custody when he appeared in court yesterday. Dominic McKilligan, of Fenham, Newcastle upon Tyne, was charged with the murder of the boy on Saturday night. Members of Wesley's family shouted abuse as Mr McKilligan was led from the dock. Wesley disappeared from his home in the Arthur's Hill area of Newcastle on 5 June.

New variant CJD kills two more

TWO PEOPLE died of new variant Creutzfeldt-Jakob Disease in May, according to new official figures. So far 27 Britons have died of the disease, caused by exposure to BSE, figures from the CJD Surveillance Unit in Edinburgh showed. This year four people have died.

Ex-social services chief charged

A FORMER social services director appeared in court yesterday charged with misconduct in a public office. Chris Perry, aged 56, one time director of social services in South Glamorgan, appeared before magistrates in Cardiff. Also charged with a similar offence was Terence Price, a social worker. The proceedings were adjourned.

Chaucer could fetch £500,000

ENGLAND'S FIRST major printed book - a first edition of Chaucer's *The Canterbury Tales* - could fetch £500,000 when it goes up for sale, Christie's said yesterday. The book, printed in 1477 by William Caxton, is a star attraction in the sale at Christie's in London tomorrow.

Cornish clotted cream remains at the top

CORNWALL'S EXTRA-THICK clotted cream has secured protection under European Union law from would-be imitators, the Ministry of Agriculture announced yesterday.

The decision prevents manufacturers from outside Cornwall from copying the cream and marketing it as the real thing.

The cream now joins 28 other British products which are protected under the rules, including white and blue stilton cheese, Whitstable oysters and Newcastle brown ale.

Cheddar cheese, though named after a village in the west of England, is not protected but West Country Farm-

house Cheddar cheese is protected.

Protected products in other countries include Parma Ham in Italy, the subject of what recently became known as the "barmy Parma drama" and Pont L'Eveque cheese in France.

EU regulations provide protection for geographic denominations belonging to food products giving locations of origin the right to use a product's name.

Cornwall's application for protection under the rules ran into trouble initially because of translation problems - Cornoise is the French name for Cornwall and an area of Brittany.

TERENCE BLACKER

'When I hunted, I was always surprised by the way huntsmen spent most of their waking hours thinking of ways to kill foxes'

— THE TUESDAY REVIEW, PAGE 4 —

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Fixers with a hot line to Westminster

By FRANK ABRAMS
Political Correspondent

THE NETWORK OF LOBBYISTS AROUND THE LABOUR LEADERSHIP

The lobbyists, the politicians they served and the companies they now work for

THE CHARMS of Tuscany, the much-beloved holiday destination of New Labour, must have been wearing a little thin for Peter Mandelson's former aide Derek Draper yesterday.

It was not clear last night whether the lobbyist had escaped to Italy to avoid the aftermath of revelations about his claims of links with the Government, or whether his trip to southern climes was rudely interrupted by the scandal.

What was becoming increasingly clear, though, was the extent to which Draper's industry has worked its way into the heart of the Blairite establishment over the past year. More than 40 former Labour staff members or senior party figures are now working for "public affairs consultancies" in and around Westminster.

A register of lobbyists' interests, which was published - co-incidentally - yesterday by the Association of Professional Political Consultants (APPC), shows that all the major firms now have at least one Labour insider working for them. The register shows all those who have worked for each of the companies in the six months up to May 1997.

The firm which employs Derek Draper, GPC Market Access, has a strong handful of Labour lobbyists to keep up contacts following his suspension yesterday. They include John Dickie, who was a director of Draper's Prima Europe company with the Downing Street policy adviser Roger Liddle. Dan Fox, a former junior in Tony Blair's office; two former Millbank staff and a Lewisham Labour councillor.

Other firms employ a similar range of "consultants" with address books bulging with Labour contacts.

The classic case, of course, is Lawson Lucas Mendelsohn, which has been criticised for boasting of its links with Government. Neal Lawson used to work for Gordon Brown; Ben Lucas for Jack Straw, and Jon Mendelsohn for Tony Blair. Among their other staff is Ian Jacobs, who has worked with Blair's pollster Philip Gould.

The Public Policy Unit, whose director Charles Miller is secretary of the APPC, has employed several Labour lob-



TONY BLAIR

ROGER LIDDLE
(European adviser)
Works in No 10 Policy Unit. Before election had his own lobbying company with Derek Draper.

JON MENDELSON
LLM
Founded LLM. Advised Tony Blair on business relations and campaign strategy before election.

DAN FOX
GPC
Junior helper in Blair's office during run-up to 1997 election.



GORDON BROWN

NEAL LAWSON
LLM
Former adviser to Gordon Brown. Worked for Blair on campaign strategy during election.

KARL MILNER
GJM
Worked for Brown before the election, dealing with internal party relations.



PETER MANDELSON

DEREK DRAPER
GPC Market Access
Former chief aide to Peter Mandelson. Switched to lobbying after election.

REX OSBORNE
Public Policy Unit
Worked for Mandelson for about 10 years on polling analysis.



JACK STRAW

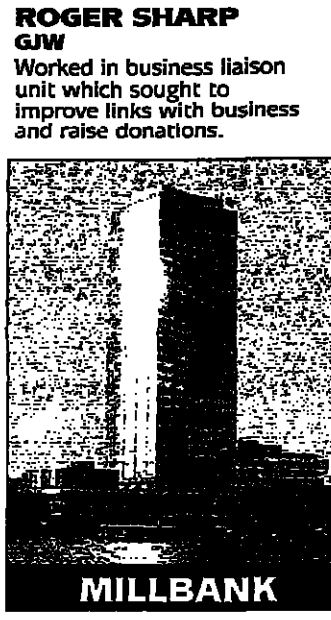
BEN LUCAS
LLM
Former adviser to Jack Straw and ran Blair's political briefing unit during election. Founded LLM after working for Lowe Bell Political.

ALEX COLE
AS Bliss
Worked for Straw on home affairs issues in run-up to last year's election.

RORY SCANLON
Beaumont
Worked in the rebuttal unit at Millbank during the election.

IAN HEPPLEWHITE
Cligate
Worked in Millbank during election and became press officer for parliamentary party.

MELISSA ROBINSON
GJM
Rebuttal unit and also worked on policy with Fabian Society. Bought her flat from Draper.



MILLBANK

ROGER SHARP
GJM
Worked in business liaison unit which sought to improve links with business and raise donations.

DAVID LEAM
GPC Market Access
Another Millbank election veteran who went into heavy-hitting lobbying.

ADAM BOWEN
Recently Shandwick
Worked in election rebuttal unit, joined Shandwick but recently returned to Millbank.

JO MOORE
Westminster Strategy
Was head of Labour's press office before and after election.



DAVID BLUNKETT

MIKE LEIGH
Westminster Strategy
Was adviser on education to Blunkett and senior figure in the lobbying industry for many years.

byists. Among them are Rex Osborn, who worked for Peter Mandelson for several years; Greg Rosen, a former Millbank worker; and Chris Savage, who left recently, but who joined the firm after working at the Trades Union Congress.

Westminster Strategy has Mike Lee, a former adviser to David Blunkett, while Shandwick has Colin Byrne, a former Labour chief press officer.

Lists of directors from Companies House also show a number of Labour figures who have

had a stake in the industry at some stage.

Jennie Jeger, a senior party figure who died recently, was a director of GJM along with Jeremy Fraser, a leading South-west councillor.

The leader of the House of Commons, Ann Taylor, resigned as a director of Cligate Westminster in 1994, while the Labour peer Lord Patten quit his directorship of the firm the following year.

Rosie Winterton, now Labour MP for Doncaster Central,

was managing director of Connect Public Affairs between 1990 and 1994.

But how, if at all, do the new recruits use their influential contacts to help their clients? Although a few appear to have been caught out offering access and influence beyond what their professional code of conduct recommends, most deny they would do this.

An experienced lobbyist with knowledge of Government can use his knowledge of the system, industry sources say. A lobbyist who knows the rules can

open doors for a client that he cannot open for himself, industry sources say.

But almost without exception, the Labour lobbyists have no such knowledge. They are, for the most part, twenty and thirty-somethings with just a year or two in Millbank and a fat address book to call on.

Many older lobbyists are privately seething about these new recruits, saying they are forced to pair up well-connected Labourites with former Tory

MPs or special advisers to do their job. If mistakes have been made or codes broken, they say, experience has not helped.

"It is a truism in lobbying that the system never does you favours," Charles Miller said. "It looks as if people scratch each other's backs all the time, but it's actually superficial."

Draper has held directorships of six companies, including 3C Ltd, which was used to run conferences for business people after the publication of

Peter Mandelson and Roger Liddle's book, *The Blair Revolution*. He charged business people to be given a resume of what Tony Blair stood for.

He also runs Progress, a Blairite group which publishes a slavishly loyal magazine, and will host a series of seminars for party members this summer.

Many of those who know him firmly believe that the group's real controller is Peter Mandelson, and that its aim is to say things that the Labour Party cannot say.

Tireless activist who set up the exposé

THE MAN behind the exposé of the New Labour lobbyists is Greg Palast, a highly regarded American investigative journalist and filmmaker. He and a colleague played the role of American businessmen looking for inside political help. Mr Palast would have found the role easy, as for many years he worked as a utilities regulator in New Orleans. He then decided he wanted to take a broader look at energy issues and moved into journalism.

He made his mark with an investigation of the Exxon Valdez disaster, in which a massive oil spillage damaged the ecology of a large part of the Alaskan coast.

Over the past 10 years Mr Palast has developed close links with the native American peoples whose lives have been dramatically changed by the oil boom in the region.

He is noted for his painstaking research. He has worked in the past for the British media, including BBC's flagship *Panorama*.

Mr Palast is in his forties, married with two children, and lives in Peconic, Long Island, New York.

The Observer said in a statement last night that it could verify every element of the published material, including the statements attributed to Roger Liddle.

Ben Lorraine, the business editor, said that they would not publish the full transcripts of taped interviews, "not only because of libel considerations, but also because they contain material which will be used in further reports."

The Observer has said it will co-operate with any inquiry set up by Ann Taylor, the Leader of the House.

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Urbane operator at head of controversial deals

GJM'S ROLE in the lobbying scandal is not the first time the company has found itself immersed in controversy. The company's managing director, Andrew Gifford, is an urbane and sophisticated political operator with a penchant for mischief. This may explain his desire for high-profile publicity and some very strange friends.

In 1996, there was the Libyan affair. Mr Gifford flew to Tripoli to seal a contract said to be worth £3.5m to promote links with Colonel Gaddafi's regime.

Paid by the British-Libyan Business Group, GJM arranged for a group of British politicians led by Lord Trefgarne, the former defence minister, to visit Libya. GJM also had a media monitoring contract with the Libyan government. Mr Gifford refused to comment at the time but insisted the deals were intended to improve economic relations between Britain and Libya.

More recently, there have been the mercenaries. Mr Gifford is a "close personal friend" of Tony Buckingham, the millionaire with a special forces background who has been involved in the supply of mercenaries in Papua Guinea, Angola and Sierra Leone. Most notably, Mr Buckingham is the power behind Sandline International, the company whose role in the Sierra Leone counter-coup triggered the current inquiry into Foreign Office culpability.

Mr Gifford was until recently a director of Mr Buckingham's Heritage Oil and Gas company, which owns oil rights in Angola. Heritage is also the centre of a string of companies involved in oil and mining in Third World countries. These companies are often assisted by mercenaries supplied by Mr Buckingham's other companies, Executive Outcomes and Sandline.

It was Mr Gifford who introduced his old boss, David Steel MP, to Tony Buckingham. Lord Steel, as he is now, joined the Heritage board in 1994 and resigned at the end of 1996. Three months later, Mr Buckingham

By PAUL LASHMAR

was introduced to Tony Buckingham. Lord Steel, as he is now, joined the Heritage board in 1994 and resigned at the end of 1996. Three months later, Mr Buckingham



Andrew Gifford: liking for high-profile publicity

and Sandline boss Tim Spicer were publicly revealed to have been involved in hiring a mercenary army to the Papua New Guinea government.

Mr Gifford, 45, reputedly earns in excess of £250,000 per annum. His career began conventionally enough. For many years he was the political and personal assistant to Lord Steel. In 1980, he set up GJM

with partners Jenny Jeger, who had worked with James Callaghan at No 10, and Wilf Weeks, former head of Edward Heath's private office.

GJM was one of the first of the specialist political lobbying companies. Tony Hunt, another senior director, is a former senior official from the Conservative Central Office. Kari Milner, who is at the centre of the current controversy, was an adviser to Gordon Brown before the election and also worked for Hillary Clinton in the 1994 United States presidential campaign.

GJM has grown into one of the largest political lobbying companies in Britain. It has 38 staff in London and offices in Brussels, Bucharest, Moscow, Prague and Warsaw. Its clients have included Goldman Sachs, British Telecom, Vodafone, Sainsbury and Bupa.

Mr Gifford is a founder of the Association of Professional Political Consultants, which was set up to improve political lobbyists' image in the wake of the cash-for-questions scandal.

Know-how that gains entry to the corridors of power

FROM THE perspective of their clients, lobbyists or political consultants provide expertise, experience and - essentially - access to people who make decisions.

"The best consultants are those who tell you who you need to speak to. They introduce you and then let you get on with it," said Bridget Faubert, legislative officer with National Federation of Retail Newsagents.

For the past year, the federation has been using a firm of consultants to advise it on the Competition Bill, currently passing through Parliament.

The federation, which represents the interests of independent newsagents, wants to ensure its members are treated

By ANDREW BUNCOMBE

fairly by larger chains, wholesalers and publishers. "We were told who were the members of the House of Lords who might be receptive and we were also introduced to ministers," said Mrs Faubert.

Chelgate Ltd, who describe themselves as public relations consultants, were able to arrange meetings between the federation and Margaret Beckett, President of the Board of Trade, and Nigel Griffiths, the Trade minister. "They introduced us and then let us get on with it," said Mrs Faubert.

Independent Newspapers (UK) Ltd, publishers of *The In-*

dependent, also used consultants for advice about trying to have the Bill amended.

"Along with the *Telegraph* and the *Guardian* we had been lobbying the Government ourselves over the Bill," said Brendan Hopkins, chief executive. "A firm we use as consultants (Charles Barker) suggested that we speak to the Liberal Democrats and we did that. We were introduced to Lord McNally and he agreed to table an amendment to the Bill. Charles Barker helped us in drafting a possible amendment."

Pharmacists who run chemist shops are concerned they could be forced out of business if the Government allows a free-for-all on the price

of over-the-counter medicines such as cough medicine and painkillers. The community pharmacy action group leaders hired LLM, one of the newest lobbying companies set up after the election by former Labour advisers, to build its campaign to have non-prescription items excluded.

But lobbyists are not always essential. The Federation of Licensed Victuallers Associations also has an interest in the Competition Bill and wants to ensure the "tied houses" system of public houses remains.

"We do not bother with lobbyists," said its chief executive, Tony Payne. "I just write to the ministers myself... They are always very helpful."

Food technology: A new breed of eco-warrior is challenging the big corporations by taking direct action

Wheatfields turn into war zones

ONE OF the most intense commercial battles of recent years found a focus yesterday at the Royal Show in Berkshire, in a patch of wheat covering an area the size of two tennis tables. It looked no different from any other wheat, except that it had its own 24-hour security guard.

What the guards are protecting is actually invisible. The wheat has been genetically modified (GM) to contain extra gluten genes - so bread made from it should be lighter and bouncier. But that makes it a prime target for the groups aiming to uproot such crops. So far this year GM plants have been torn up at almost 30 of 200 experimental sites around Britain. To keep the wheat safe, a guard is necessary; at the Cereals 98 show last month, a similar exhibit was torn up. This time the Biotechnology and Biological Sciences Research Council (BBSRC), which has funded the wheat's development, is taking no chances.

But environmental activists are only the most immediate worry for Monsanto and the 15 or so other companies in the UK which are developing GM crops to make food. The issue is becoming a commercial battle royal. Millions of pounds are being spent developing new plants - and then millions more on persuading the public to like them.

It might seem that the biotechnology companies cannot lose. All they have to do is get government approval - a process which the public feels powerless to prevent - and then persuade farmers to plant the crops. Monsanto makes a GM soya resistant to its own Roundup herbicide. It was launched two years ago, and constitutes a few per cent of the total area of soya planted in the United States. This year 30 per cent of American soya will be Roundup Ready, and it is rising. Soon it will constitute the majority.

So why, two years after food made from that soya first appeared on British shelves, is Monsanto spending £1m on an advertising campaign telling people to trust GM food? Because in September, new rules on labelling come into force. These will mean that, for the first time in two years, you should be able to tell which of the foods such as bread, biscuits, cakes and pizza has been made using GM soya. Take a look on any contents label: about four

By CHARLES ARTHUR
Technology Editor

in ten food products contain soya or soya oils or soya lecithin. From September, the food will have labels: "Does not contain genetically modified elements", or: "Contains genetically modified elements".

The Laboratory of the Government Chemist (LGC) is one of two UK organisations offering DNA tests to identify whether foods contain GM elements. Recently it hosted a crowded industry session with speakers from the supermarket Sainsbury's and Rank Hovis McDougall, which makes all sorts of baked items.

"We are expecting increasing demand for our services," said Helen Parkes, the LGC's innovations manager, whose clients are among the country's biggest food makers and retailers. "I feel that the supermarkets want to be responsible, and want a positive consumer perception of what they're doing."

Ms Parkes said the industry's concern is that: "If a product remains unlabelled then, by implication, it doesn't contain GM elements. They want to be sure that's true."

For Monsanto, labelling is a PR disaster. It had been delighted with the status quo. Up until now, the GM and standard soya were simply mixed after harvesting in the United States. There was no way to pick out if the biscuit you ate contained GM soya or not.

That is different from the first GM food launched in the UK, a tomato puree marketed by Zeneca - though that, too, relies on a Monsanto product. The "FlavrSavr" tomatoes, which take longer to rot, were always identified clearly. People liked it. They bought it.

They do not like Monsanto and the idea of unlabelled GM foods, though. A recent MORI poll found only 22 per cent of people support GM foods. If they are wandering around supermarkets, they will be turned off by those labels, unless Monsanto and the other biotechnology companies can persuade them that genetic engineering is good news.

It may seem a long way from guards protecting experimental wheat. But to the biotechnology companies, it is all the same battle. Only the battlefield differs.



Genetically-modified crops such as oilseed rape are the latest target for eco-protest groups

Ian Duncan

Middle-class activists on the frontline

ROWAN TILLY and a group of fellow middle class eco-activists spent Saturday morning uprooting genetically-modified plants at a farm in Watlington, Oxfordshire.

The 40-year-old furniture-maker from Hove in East Sussex, who with other members of the pressure group genetIX snowball gave up their weekend to pull up almost 200 plants, said: "The Government is failing to tell people about the harmful effects of genetically-engineered crops. We are concerned that they could be endangering the environment and our health."

The oilseed rape plants were

By DIANA BLAMIRE

owned by Monsanto, the US food giant, and had been genetically-modified to make them resistant to a herbicide used for killing off surrounding weeds.

Ms Tilly said: "All five of us were arrested. We were not charged but we were all prepared for court. We are prepared to take the consequences because we do not think we are doing anything wrong."

The 30 or so members of genetIX snowball members are very different from the new generation of eco-warriors, many of whom are

unemployed and nomadic, moving on from one demonstration to the next. This group's members so far include a music teacher, solicitor and freelance journalist.

GenetIX snowball, a non-violent campaign, was formed a year ago, and has around 30 members around the country. They are worried about genes from genetically engineered plants getting into other plants, such as weeds, which could then become resistant to weedkiller and spread unchecked.

Ms Tilly said: "We will definitely not be using the methods of eco-warriors. We will simply carry on pulling

up plants until the Government takes action to tackle the problem."

Other environmental activists, not linked to genetIX snowball, have attacked crop sites but most of the incidents have been carried out covertly by eco-warriors raiding plots under cover of dark.

By contrast genetIX snowball openly admits what it is doing and announced its intentions to dig up plants in Watlington in advance.

They fear that components of bacteria from genetically-engineered plants could cause animals and humans to build up a resistance to antibiotics and to diseases.

Ms Tilly added: "We want a five-year moratorium on the release of genetically-engineered crops into the environment pending further research and public consultation."

English Nature, the Government's official wildlife adviser, has already called for the moratorium. However, genetIX snowball has taken to tearing up plants because the request has so far fallen on deaf ears.

A spokesman for Friends of the Earth said: "There hasn't been adequate democratic debate. There are reasonable concerns about weed-killer and pesticide-resistant crops - more research needs to be done."

And can we do it by Tuesday?

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Harman demonstrates that the simple solutions are best

THAT MONDAY morning sinking feeling is delayed in the House of Commons until after lunch, when Social Security questions come round with monotonous regularity every four weeks.

Matters were not helped when the same department, still led for the time being by Secretary of State Ms Harriet Harman, immediately detained the House for another hour on the Green Paper proposals to reform the Child Support Agency.

In fairness the CSA statement, which I was dreading, turned out to be easier to follow than anticipated. It was simple, logical and actually made a lot of sense. In essence,

subject to consultation, fathers will have a specific percentage of their income deducted for each child for which they are responsible. Mothers will be allowed to keep up to £10 of other benefits even if they receive maintenance from the father.

Ms Harman makes much of pretending to be more stupid than she really is and admitted this, in a recent interview with *The Daily Telegraph*.

Just occasionally, and yesterday was such a day, a supposedly stupid person has an ability to cut through complexities and come up with more common sense answers than people like David Willetts, the Tory education spokesman, who

suffers from the reputation of having two brains. If we accept for one brief moment that Ms Harman is, to use her own words, "an air head", she made more effective use, as anyone else with half a brain would do, of gut-instinct and common sense to present eminently sensible proposals.

The Child Support Agency was invented early in the 1990s by Peter Lilley, the then Secretary of State for Social Security, with a mass of detail, unnecessary complication and endless bureaucracy. The House of Commons passed this half-baked legislation partly because the then Labour opposition agreed to the Bill with very little

THE SKETCH



MICHAEL BROWN

debate and no votes against the measure in the division lobbies. MPs were inundated with a

mass of aggrieved constituents complaining either, if they were a mother, that the CSA had done nothing to chase the father, or, if they were the father, that he could not afford to pay. I recall divorced constituents coming to surgeries to berate us about each other. But both parents were usually agreed on the hopelessness of the CSA. I do not recall any feckless father actually being caught, successfully, by the system and I can count on the fingers of one hand those women and children who are actually better off, as a result of the CSA in my constituency.

Ms Harman's announcement will go a long way to rectifying the

failure of Parliament to get it right in 1991. Her statement was broadly welcomed by Members on all sides. The Tory spokesman, Iain Duncan Smith, was measured in his response and accepted most of her ideas.

Ms Harman's statement could not have come at a better time for her future career. There are gossip-shop rumours about her long-term political health and her syrupy statement of broad good sense will do her no harm as re-shuffle day looms. Her performance reminded me of a latter-day Mary Poppins and I could almost imagine her melodious tones singing the words of her script to the tune of "A spoon

full of sugar helps the medicine go down, in the most delightful way". She is infuriatingly charming, good-looking and elegant in her designer clothes. Yesterday she was only out-shone in the fashion stakes by her junior minister, Joan Ruddock.

Not much else caused a stir in the hour before Ms Harman's statement but there were raised eyebrows from the hooligan tendency, led by Nicholas Soames (C, Mid Sussex), when Lorna Fitzsimons (Lab, Rochdale) said, to laughter: "We see an explosion of women in part-time work". Let us hope, for Ms Harman's sake, that this does not turn out to be the case.

Blair to appoint Labour chair

TONY BLAIR is planning to create the cabinet-ranking post of chairman of the Labour Party to lead the campaign for the next general election.

The Prime Minister believes the new party figure should be a political heavyweight to focus the party on the election campaign from within the Government. He is following the example set by the Tory Party, which used the strategy agreed by the party chairman to make a series of headline-grabbing announcements at the annual Conservative Party conference in 1986 to lift the government's standing for the election victory the following year.

Labour's party organisation has been run by the general secretary, traditionally from a trade union background, on the party's ruling national executive committee. Tom Sawyer, a Union leader, is due to step down in October as general secretary. He is expected to hand over to Margaret McDonagh, when the role will become more like a chief executive in charge of running the party organisation.

The Prime Minister could announce the new role as early as the forthcoming reshuffle, which is due before the end of this month, but the announcement could be delayed until the annual party conference.

CAMPAIGNING

BY COLIN BROWN
Chief Political Correspondent

Mr Blair considered Mr Mowlem, the Northern Ireland Secretary, ideal for the role but she is too enmeshed in the continuing confrontations between Nationalists and Loyalists.

Stephen Byers, the Education minister, is an option, but is not expected to be moved into the Cabinet this time.

One possibility could be John Prescott, who has told the Prime Minister that the party needs urgent attention. The Deputy Prime Minister has a reputation as a campaigner for mass membership, and would be a powerful voice for the concerns being expressed by the party's grassroots.

Mr Prescott could be too busy with his existing titles, but he made an offer to Mr Blair a month ago to tackle the growing unrest in the party at Westminster. He believes Labour spokesmen have succeeded in making the step from Opposition shadows to ministers in charge of Whitehall departments, but has yet to get right the shift from Opposition to Government.

"I don't think we have got that any where near right as it should be," said Mr Prescott.

Sea theme for Scots

AN IMAGE of a rowing boat belly-up on the loch shore as the new Scottish parliament has beaten more predictable debating chambers envisaged by four rival architects, writes Nonie Niesewand.

Enric Miralles, based in Barcelona, and who frequent-

ly visits Scotland, took boats of the Highlands and Islands as inspiration for the building, to open in Edinburgh in 2001. Yesterday the Scottish Secretary, Donald Dewar, said: "Enric Miralles impressed... with his energy, imagination and creative approach to designing."



Peter Bottomley, MP, at a charity swimming contest between the House of Lords and the House of Commons

Peter Macdiarmid

Hodge seeks extra £600m to help poorer students

ONE WEEK before the Comprehensive Spending Review is due, the chairwoman of the Education Select Sub-Committee appealed to the Government last night to invest half a billion pounds more in further education and scrap child benefit for over-16s.

Margaret Hodge, one of the most influential Labour backbenchers, told the Parliamentary Under-Secretary of State for Education, Kim Howells, to abolish child benefit for those over 16 and invest the money to encourage more to stay on in further education.

The £600m which could be saved, she told colleagues, should be used to fund a means-tested allowance to encourage those from less well-off families to stay in full-time education and training.

COLLEGES

BY DAISY SAMPSON

"Child benefit is only paid to those whose children stay in full-time education and they tend to be children from better-off families," she said, opening a debate on further education.

"Surely it is right to target this money better to encourage those from poorer families to stay in full-time education."

Warning that the system of student support in FE was "close to total collapse" she said it was "outrageous" that only half of the country's young people continued in full-time education up to the age of 18.

Damian Green, the Conservative spokesman, asked where the Government was going to find the money to meet the aspirations of the FE sector.

He told Mr Howells: "The issue of funding will continue to be the ghost at this evening's intellectual feast because if you seek to simply reassure both sides of the House with warm words, then one would be entitled to be a little suspicious."

Agreeing with Ms Hodge that the sector has been the Cinderella of education, he said: "FE has at times been the least regarded sector and the severe danger is that FE will once again fall into the hole."

Charlotte Atkins (Lab, Staffordshire Moorlands) urged the minister to provide the extra funding, and warned of an education "catastrophe".

Ms Atkins, a former press officer at Unison, likened the under funding of the sector to "progressive arsenic poisoning" - if you waited for the

symptoms to show it would be too late.

Despite government protestations, the Opposition insisted during Social Security Questions, that a change in the official school-leaving date could cost single mothers more than £800 in child benefits. It had been suggested that the leaving date for 16-year-olds should be changed from the first Monday in September to 26 June.

Simon Burns, Conservative spokesman on social security, asked Women's Issues Minister Joan Ruddock: "Could you tell the House whether the reports are true that Miss Harman is going to change the date by which child benefit is paid for 16-year-olds from the first Monday in September to 26 June?"

"Will you confirm that means that some mothers will lose up to £856 and that all parents will lose, on average, £114?"

"Could you please tell the House why, given that state schools finish for the summer, usually in mid to late July, 26 June has been chosen?"

Ms Ruddock retorted: "I really do not know where you get your information from. I can tell you that in respect of the benefits inquiry you made, the answer is definitively: 'No'."

To opposition jeers, the Secretary of State for Social Security, Harriet Harman, side-stepped a question from James Gray (C, Wiltshire N) calling for assurances that she would not abolish child benefit.

Ms Harman said simply: "We have said that child benefit for those over 16 will be subject to review."

Brown pressed to drop tax plan

CHILD BENEFIT

BY COLIN BROWN

A RIGHT-WING think-tank today calls on Gordon Brown to scrap the idea of taxing child benefit, which is being planned for next year.

Sheila Lawlor, director of Politica, also warns the Chancellor to abandon his plans for merging tax and benefits because it threatens one of the founding principles of the Beveridge plan for the welfare state.

In a Politica pamphlet, she says such a move would end the contributory principle on which Beveridge based his proposals.

She also says: "Beveridge built on the contributory principle establishing a social fund, although for him contribution involved the pooling of risks rather than (as a private non-compulsory scheme would require) adjusting individual contributions to risk."

Calling for a public debate about the reforms to the welfare state, she says, in a pamphlet, that the universal benefits, such as child benefit, should be preserved where they already exist rather than being targeted.

She argues in favour of contributions being required by all people, either paid to insurance companies or to state-run schemes.

She says the full contributory basis of National Insurance should be restored, as envisaged by Beveridge.

"Whether ultimately the providers of such insurance could not be private companies rather than the state is a question that could be decided over time," she adds.

"The re-establishment of the contributory basis of the system in a transparent form would make possible a gradual shift in this direction in which parts of the state system were gradually opened to competition from the private sector to which contributors could take their contributions in respect of insurable contingencies."

"Beveridge or Brown?" (£10.22) by Sheila Lawlor, Politica, Charing Cross Road, London WC2H 0HR (0171 240 5070)

QUESTIONS AND ANSWERS

Backing grows for rural ministry

THE Prime Minister confirmed, in answer to a question from James Gray (Con, Wiltshire North) that consideration is being given as to whether he should set up a ministry of rural affairs as part of the Comprehensive Spending Review. The review is expected to report next week.

Neill's daily rate

LORD NEILL QC is paid a daily rate of £500 for his duties as standards watchdog. Public Service Minister David Clark said in a Commons written reply last night. Lord Neill had spent 44 full working days carrying out his duties up to April, for which he was paid a total of £22,000. It was revealed in answer to Peter Bradley (Lab, The Wrekin). Lord Neill was appointed chairman of the Committee on Standards in Public Life on 10 November, taking over from its first chairman, Lord Nolan.

Tory lords spark 'constitutional crisis' over Commons ruling

REBELLION

BY DAISY SAMPSON

abuse", will urge peers to accept the decision of the Commons to reject an amendment to the Government's Teaching and Higher Education Bill to equalise the payments of tuition fees in Scotland for students north and south of the Border.

The Lords are prepared to back a further amendment to the Bill with the Liberal De-

THE HOUSE

Today

Commons: Questions on the environment, regions and transport; Tory debate on release of information to select committees; adjournment debate on Harlow Playhouse.

Pensioners' aid

JOHN DENHAM, a social security minister, told Gordon Prentice, (Lab, Pendle), that the Government is looking into ways of getting more automatic help to the poorest pensioners claim their full entitlement.

MP 'target of race hate mail'

HELEN BRINTON, Labour MP for Peterborough, has been sent hate mail because of her stand against racism. She believes the right-wing British National Party is behind the campaign, which was sparked after she replied to a letter from a constituent containing "outrageous comments about black and Asian people". The BNP denies her allegations.

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Judge backs tobacco firms' challenge

FOUR TOBACCO companies yesterday won the right to bring a High Court challenge against a report calling for a ban on tobacco advertising and smoking in public places.

Granting leave for a judicial review, Mr Justice Moses said that the report, by the Scientific Committee on Tobacco and Health (SCOTH), might do "commercial damage" to the tobacco companies. He added that it was "arguable" that they should have been consulted and given the chance to comment before the report was published.

British American Tobacco

BY KATE WATSON-SMYTH

(BAT), Gallaher, Imperial and Rothmans were given leave to seek a judicial review and an order quashing the report, which was published in March. They also want an injunction restraining the Government from taking the report into account when considering new smoking and health legislation.

Chris Procter, the head of science and regulation for BAT, welcomed the judge's decision and described statements in the report accusing the tobacco industry of targeting children and non-smokers as "absolutely outrageous". "Children should not smoke and we want to work with the Government to ensure kids are not smoking," he said.

Mr Procter said the report had been selective in its use of scientific studies and had chosen to ignore important evidence. "The report ignored two studies about the effects of passive smoking and heart disease because they were funded by the tobacco industry."

"We would like a proper look at the science behind the call for a ban on smoking in public places and we hope that some of the outrageous statements in this report will be amended or removed. The judge has agreed with the UK tobacco companies that there is a case for SCOTH to answer. That is a very significant development."

In his ruling, Mr Justice Moses said that the SCOTH report appeared to be an attack on the "commercial morality" of the tobacco companies.

The committee, made up of independent scientific experts and the Government's main adviser on tobacco issues, had chosen to record remarks that, on face value, had the power to cause instant and irreparable damage, he said, adding that they had been made without any comment on the independence or reliability of their source.

The committee had a choice - either to seek comment or to omit the critical material. Had it omitted that material the report would not have suffered in any way, he said. "After all, it was intended to be a scientifically rigorous report. Arguably there was not much scientific rigour about the passages I have quoted."

A spokeswoman for SCOTH said permission for the judicial review was granted on the narrow point that the committee could have been expected to

consult the tobacco companies before including the opinions of a marketing expert on the industry's marketing and promotion strategy.

"It should be noted that the decision to grant leave does not impugn the accuracy of the committee's conclusions," she said. "It merely reflects the fact that, on one particular aspect, its procedure may have been open to criticism."

Bill O'Neill, a science and research adviser to the British Medical Association, accused the tobacco industry of "posturing", and said it has had ample opportunity to publish

any scientific information that it felt had not been submitted to SCOTH. "We are confident of the scientific evidence that breathing other people's smoke causes disease. There are arguments about the strength of the harm and the size of the risk, but there's no doubt that the risk is there."

Clive Bates, the director of Action on Smoking and Health (ASH), said: "Leave for a judicial review has been granted solely on the grounds of a statement in the report that the tobacco industry needs to recruit 300 new smokers a day to replace those who die from smoking-related diseases. It is typical that the tobacco industry should continue to deny the obvious."

"There is hardly any chance that they will succeed and ASH has expressed incredulity at the industry's self-importance and its unwillingness to accept what are universally agreed to be core facts surrounding tobacco and health."

The four companies produce more than 90 per cent of all UK brands. They argued that they were not trying to lure young smokers but seeking to build up brand loyalty among existing customers.



As the design was unveiled, a cow brought in to give a 19th-century feel for yesterday's announcement kicked Lee Cullen, a secretary, to the ground Tom Pilon

Royal park's café set to go underground

AN "ECO-CHIC" café, half underground and with a roof made of grass, is to be built in the heart of St James's Park, London. The £1.6m wooden building will replace the existing Cake House, a concrete and glass café built in the 1970s.

The Grade One listed site has been contoured so that the new building will not be visible from the Mall. Designed to follow the ground plan of John Nash, who laid out the park in 1827 on curvilinear paths, two interlocking shells made of larch will occupy these paths at a junction so that it can only be seen obliquely on approach.

By contouring the building into a lower level, the architects, Michael Hopkins and Partners, who won a competition held by the Royal Parks to rebuild the Cake House, have been able to create the swoop of the roof as a hill. Low-growing plants over the roof return 500 square metres to parkland, but walking upon it will be discouraged.

Mark Fisher, the Minister for Arts and Architecture, said: "The challenge was to ensure first-class facilities for visitors to the park without detracting from this masterpiece of English landscape design."

From the lakeside, a sheltered colonnade can seat 100 on balustrades that double as benches. Larch is used both for the structure and panels, which will weather to a silvery grey. Iroko hardwood from sustainable sources has been used for the decking.

Behind the colonnade, a glazed entrance leads into the 120-seater restaurant. Royal Parks resisted the inclination to turn this prime lakeside site, with its view of ducks and willows, into an expensive eatery.

Although Seventies buildings have come back into fashion with the blue-plaque brigade, few will mourn the existing Cake House when it is demolished. Andy Barnett, a project director from Hopkins and Partners, describes the Cake House as "a spirited little Seventies piece that had passed its sell-by date."

No sooner had the obtrusive concrete and glass pavilion designed by Eric Bedford of the Ministry of Works opened in 1970 than it leaked. Worse, it was too small, and a clumsy extension all around the circumference was hastily erected.

The Queen, who lives nearby, was not consulted on the plans to replace the Cake House, though a Royal Parks spokesman pointed out that the winning firm designed the ticket stall outside Buckingham Palace, which was well received.

Scientists show Friar Tuck lived up to his image

BY STEVE CONNOR
Science Editor

THE IMAGE of medieval monks as gluttonous Friar Tucks has been backed by archaeologists investigating two monastic burial sites in London.

Some of the skeletons found in these cemeteries are affected by a condition found in severely obese men where the bones of the spine fuse together to resemble dripping wax.

The condition, known as diffuse idiopathic skeletal hyperostosis, shows that the monks did not always sup as frugally as they were supposed to under the rules of their Cistercian order.

Archaeologists working for the Museum of London uncovered the skeletons at the site of St Mary Stratford Langthorne in East London, which is being excavated as part of the Jubilee Line construction, and Merton Priory in south London.

A report in the journal *British Archaeology* said there is other evidence to suggest the monks lived well: "Skeletons



Friar Tuck, brought to life by Eugene Palette

for burying both monks and lay people but the high proportion of adult males suggest they were primarily used by the inhabitants of the monasteries.

St Mary Stratford Langthorne was founded in 1135 and survived for the next four centuries by living off the relatively fertile land on the north bank of the Thames, Mr Green said. Although it would technically have been subsistence farming, the skeletons suggest there was no shortage of food.

Previous research by Barbara Harvey, history don at Somerville College in Oxford, suggested that Benedictine monks of the 16th century ate colossal meals resulting in the consumption of more than 7,000 calories a day.

Records of what went through a typical monastic kitchen showed that the monks ate six shoulders of mutton at one meal. Calculations based on the number of monks eating together and the size of a typical medieval sheep suggested that each man ate three pounds of meat at a single sitting.

The cemeteries were used

Call for five-term school year

TEACHERS' EMPLOYERS yesterday demanded a government inquiry into proposals to make sweeping changes to the school year, including the end of the long summer holiday.

Leaders of local authorities, who employ teachers, supported proposals which may spell the end of the present three-term year and its replacement by a four or five-term year.

Schools would have, for instance, five instead of six or seven weeks holiday in the summer: two weeks in October, two at Christmas, two in March and two in May.

Charles Nolda, director of employment affairs at the Local Government Management Board, said: "We are ending the twentieth century with a school year based on an agrarian society. A more logical arrangement for the school year is not radical, it is common sense. No well-managed organisation outside education would still be operating on working time that was 300 years out of date."

Graham Lane, chair of the National Employers' Organisation for School Teachers, said city technology colleges which ran five-term years had found that they were very successful in reducing teacher stress.

The employers' blueprint, which was sent to ministers last night, includes a proposal to cut teachers' holidays from 13 to eight weeks in return for a substantial pay rise.

Pupils would be in school for no longer than at present but teachers would use the extra time for training, lesson preparation, administration, staff meetings and parents' meetings.

If the Government turns down the request for an inquiry which would report by next April, local authorities say that they will hold their own.

Mr Lane warned ministers that there must be changes to teachers' pay and conditions to avoid a recruitment crisis. "There is plenty of evidence that teachers' pay and conditions of service are not attractive to young graduates," he said.

Peter Smith, general secretary of the Association of Teachers and Lecturers, said: "Countries which outperform the UK in education do not achieve success by working teachers to death. Local authorities should point to a single international competitor with the sort of school year they are suggesting."

Head suspended over student violence

A SPECIAL school has been closed for a week and its head teacher suspended after teachers complained about truancy and violence by pupils.

Liverpool City Council sent a team into Wheatthill school, in the Belle Vale area of the city, last week after complaints of attacks on teaching staff.

Mike Cording, the school's head teacher, was suspended pending the outcome of an investigation into the running of the school.

The move followed a two-day inspection by a team appointed by the local authority. Council leaders concluded they were "unable to guarantee the welfare of pupils and staff".

The school caters for 70 children aged between five and 16 with emotional and behavioural difficulties. All will attend classes elsewhere or will have home tuition while the school is closed.

Paul Clein, chairman of Liverpool City Council's education committee, said he hoped the school would re-open next week with a senior inspector in place as head teacher. "We have closed the school for a week as a temporary measure. This is standard procedure in such cases, as is the suspension of the head teacher," he said.

"We will now have a series of meetings between teachers and LEA officers to determine where we go from here. In such cases it is normal to appoint a senior inspector as head teacher. Thankfully this is not a situation which arises all that often. The most important thing is that we get this situation sorted out," he added.

"It is our duty to protect the welfare of pupils and staff and obviously we also have a duty to supply education and we are conscious that there is a continuance of education for the pupils of this school."

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Brown pressed to drop tax plan

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British Medical Association conference

BMA chief attacks 'cruel Britannia'

FIFTY YEARS after the National Health Service was founded to close the health gap between rich and poor, millions of Britons still find themselves living in a country better described as "cruel Britannia" than Cool Britannia, Sir Alexander Macara, chairman of the British Medical Association, said yesterday.

Despite government promises to tackle health inequalities and the appointment of the country's first minister of public health there was still no real evidence of the Government's commitment to the task, he said.

BY JEREMY LAURANCE
Health Editor

Giving his valedictory address to the BMA's annual conference in Cardiff, Sir Alexander, who steps down after six years as chairman of the association on Thursday, praised the Labour government for responding to doctors' concerns and being "good listeners". But he accused ministers of refusing to face the facts about pressures on the NHS.

"We need new hospitals, we desperately need consultant expansion ... without consul-

tant expansion all the worthy aspirations about reducing waiting lists are but empty rhetoric."

The response to his remarks from the 600 delegates was notably subdued. The BMA's conference has fallen a week before the Government is expected to announce a major cash boost for the NHS, which appears to have reduced many doctors' appetite for protest about under-funding.

Speaking to reporters later, Sir Alexander said the NHS needed an extra £5bn immediately to bring United Kingdom spending up to the level of comparable European countries, followed by further increases for the next five years. "Right now we need that much more to deal with crumbling buildings, crumbling equipment and crumbling people."

In his speech Sir Alexander attacked the Government's neglect of public health and medical research. "A generation of the most highly trained public health specialists in the world remains mal-employed and under-utilised," he said.

He criticised the Government's U-turn on the private finance initiative, which it had opposed in Opposition, saying it brought "short-term gain for long-term pain." Five major hospital schemes have so far been approved under the initiative which requires NHS trusts to raise funds from the private sector for new hospitals but means that they pay higher commercial rates of interest.

Sir Alexander said "the ringing sincerity" of the Prime Minister's commitment to the NHS in his speech to last week's 50th anniversary conference gave cause for hope. But he said the need for hard choices would continue and reiterated his demand for a national debate on healthcare rationing.

'Populist' cancer pledge criticised

A GOVERNMENT pledge to speed treatment and cut waiting lists for cancer patients could lead to delays for patients with other more serious illnesses doctors said yesterday.

In a White Paper on the NHS published last November the Government said every patient with suspected cancer would be seen by a specialist within two weeks of their GP requesting an appointment. The two-week limit is due to come into effect next April for breast cancer patients and in April 2000 for all other cancer patients.

Speakers at the conference said it was the wrong pledge, made on the wrong principle, and sent the wrong message to the public about the danger of cancer which was not equal for all types of the disease. Dr Fiona Randall said the two-week limit for referrals was impractical because it was difficult to define which patients had suspected cancer and un-

necessary because doctors already prioritised patients.

Dr Anthony Atkinson said the Government was playing on the public's fear of cancer for populist reasons when other patients awaiting treatment for heart or digestive problems were in equal need.

At a press conference later, Dr John Chisom, chairman of the BMA GPs' committee, said: "When you try to speed up treatment you need to speed it up on the basis of clinical need. Cancer is often an urgent matter but so are many other things."

He added: "We don't want to see other patients moved down the queue for the sake of a political gesture."

A Department of Health spokeswoman said: "The sooner cancer is diagnosed the better the patient's treatment and life expectancy. The Government stands by its decision to make cancer a bigger priority."



Planespotters on the roof of Terminal 2 at Heathrow and, below, getting a closer look

Brian Harris

At busy times the planespotters come in one after the other ...

TRAINSPOTTING MAY be a pastime that is nearing the end of the line, but planespotting has taken off.

These aircraft enthusiasts have gathered on the tatty rooftop of Heathrow's Terminal 2, intent on spotting and jotting down the identities of all the jets in the skies.

"Most airlines have got elusive aircraft. I have spent years getting certain planes - but I always get them in the end," explains John Adecock, who has retired after 40 years in the health service and now spends three days a week spotting.

BY RANDEEP RAMESH
Transport Correspondent

Mark Burgess, a 27-year-old insurance underwriter from Cheltenham, had taken a day off to come to Heathrow. "Today, I have got this Air Macau plane. That should be in Hong Kong but it is being leased to Air Portugal. It is very rare to see them in Europe."

Richard Cooper, assistant editor of *Aircraft Illustrated*, says that it is "amazing" how popular planespotting has become. "One military base in Lincolnshire had to put up a viewing enclosure because of the sheer numbers turning up to spot aircraft."

The obsession does not come cheap. Apart from a vacuum flask and notebook, planespotters require a camera with a long lens, radio scanner and video camera if they are properly to capture the very rarest of steel birds. Then there is the travelling. "You can spend thousands," says Mr Burgess. "I have travelled to Japan, Singapore, America, Canada, Spain, France, Germany, Belgium and Greece to spot planes."

The global nature of the hobby is part of its attraction.



Last week, groups of planespotters travelled from Hong Kong to see the last planes land at Kai Tak airport.

Despite the cost, planespotting has survived and thrived where its older cousins - train-, bus- and car-spotting - appear to be in terminal decline. According to the

publisher Ian Allen, its guides containing all the registration letters of planes sell nearly eight times those that list bus and train numbers.

Trainspotting in particular has seen a drastic drop in numbers. Spotters have become scarce on railway platforms. Last Friday morning, more

than 30 enthusiasts could be found at Heathrow, whereas only one "gricer" could be found at any London rail terminus.

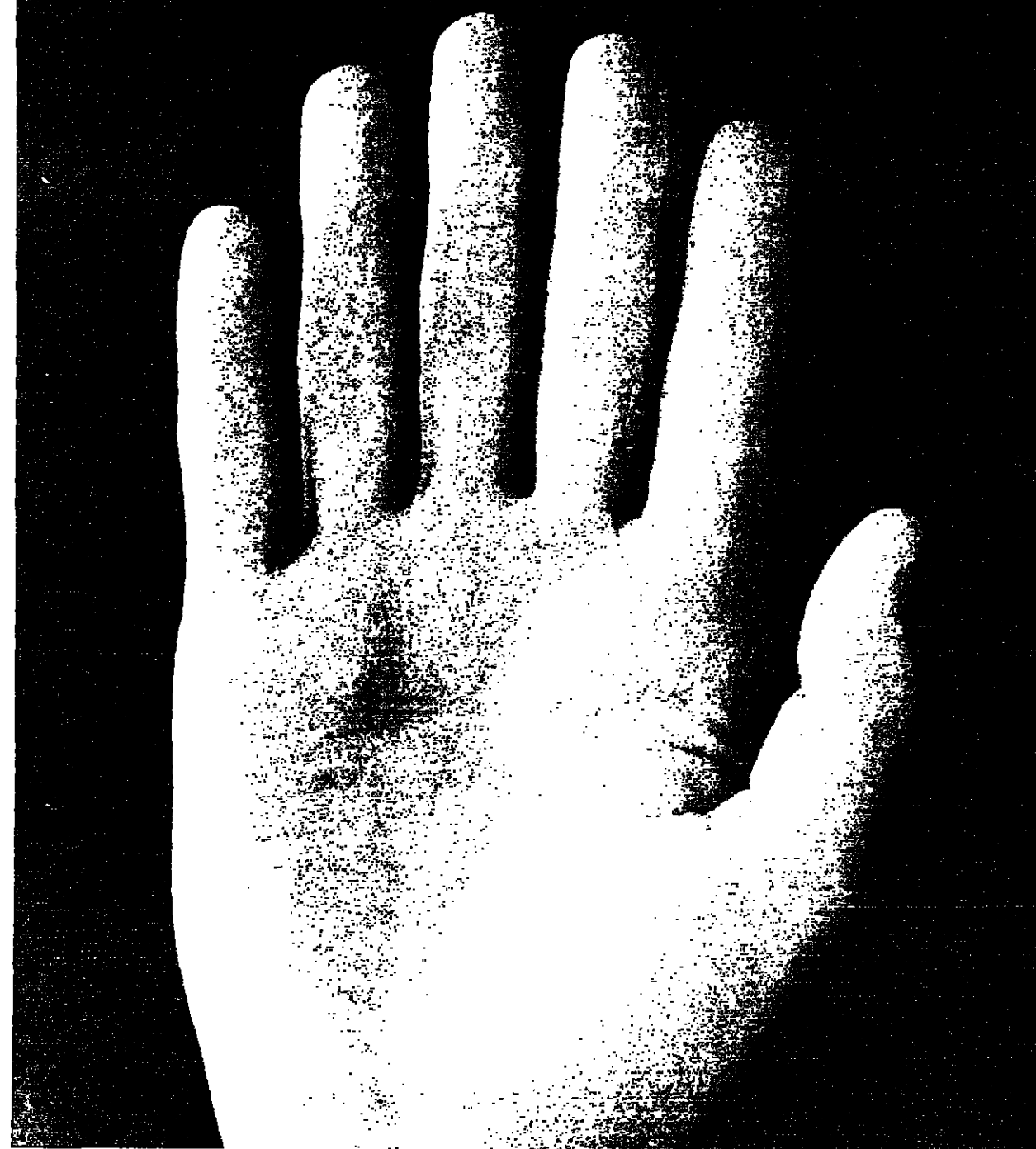
"Part of the problem is that there just is not much new stock on the network," says Phil Sutton, co-editor of *Rail Express*. However Mr Sutton says that privatisation may revive interest in the hobby. "It is not dead, it just seems to be dying out. But we are seeing more liveries and that could spark more interest."

Part of the problem is that any form of spotting invites the scorn of those on the outside. For most people, the pastimes are synonymous with graph-paper shirts and tatty anoraks. Many view them as a relic of a by-gone age.

Experts say that is a crude caricature. "These people are basically normal," said Dr David Weekes, a clinical neuropsychiatrist at Edinburgh who conducted a decade-long study into "English eccentrics".

"The worse that can be said is that they are boring. A lot of trainspotters that I met during my research were divorced. The usual reason their wives left them was because they spent too much time spotting."

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Motorists face ban from City of London

MOTORISTS COULD be banned from the City of London, leaving streets clear for "high-value" business traffic, under controversial plans put forward by City councillors.

Another separate proposal would see drivers charged £3 to enter the Square Mile, in order to curb traffic levels in the capital. But chauffeur-driven cars and limousine services, along with the emergency services, would be allowed "unfettered" access.

Councillors say that without such measures, London's status as a leading financial centre is under threat. A report by the corporation's engineers claims: "Excessive volumes of through traffic on local roads seriously affects the daily routine required between City organisations. Typically these high-value-of-time City movements may comprise such elements as clients visiting financial institutions, board meetings etc."

It warned "unless through traffic is actively prevented ... the vitality and efficiency of the City, as a place to do business, is at risk."

Motoring organisations described the plans as elitist and unfair. "You would be creating first- and second-class road citizens," said Edmund King, a spokesman for the RAC.

BY RANDEEP RAMESH

"The problem is not just about the traffic through the City. What you might end up doing is just pushing traffic on to the roads of the neighbouring boroughs. What is required is a strategic body which would co-ordinate between the local authorities."

At present, 250,000 vehicles enter the City every day and 70 per cent of this traffic "neither starts nor finishes" its journey within the Square Mile. The corporation is seeking ministerial approval for a trial period to test how motorists would respond to the proposals.

A spokeswoman for the Department of Environment, Transport and the Regions said "there were a number of issues that needed to be examined carefully before going ahead".

One version of the scheme would see video cameras used to track and charge cars automatically. Another would see a vetting procedure hand out permits only to certain drivers.

Some experts doubted whether the current law would allow the corporation to proceed. "It is unclear how they would discriminate between vehicles and how the law would let them," said Paul Watters, head of policy at the AA.

£2.3m payout for cerebral palsy boy, 12

A 12-YEAR-OLD boy who was severely disabled during his birth at a military hospital was awarded £2.35 million damages against the Ministry of Defence.

The award to Christopher Firmin, who has cerebral palsy and needs 24-hour care, is one of the largest of its kind. Christopher was disabled after being starved of oxygen for six hours while he was being born at the British Military Hospital in Hanover, in what was then West Germany, in 1986.

The Ministry of Defence had admitted liability and Christopher was awarded the sum at a London High Court hearing.

Dr Michael Powers QC, for Christopher, told the court: "This proposed settlement for a cerebral palsy case is, if not the highest, certainly one of the highest."

The large amount was based on the fact that Christopher had a near-normal life expectancy despite his severe disabilities, which had left him wheelchair-bound and unable to feed himself unaided. Dr Powers said.

He added: "It is a blessing that he has retained normal intelligence."

Mr Justice Tucker approved

BY SIMEON TEGEL



Christopher Firmin, who needs constant care

the settlement for Christopher, telling the court: "I can only hope that he will have, despite his disability, a happy life."

Later Christopher's mother Jill Smith said: "We could not be happier. It is very early days to even begin to imagine the difference it will make."

Mrs Smith, 37, who gave up her job as a nurse at the Fallingbowl Army base, near Hanover, to care for her son, said the first thing they would do would be to buy a specially adapted house for Christopher in Bournemouth.

Aborigine fury erupts over land bill

OPPOSITION OF Australia's planned Aboriginal land rights law launched a last-ditch battle yesterday to scuttle the bill, which the former Labor prime minister Paul Keating condemned as a betrayal of black Australia.

As Aboriginal groups held a "national day of shame", parliament was told that it would be pandering to racists by passing the bill under a deal struck last week by the Liberal-National Prime Minister John Howard and the independent senator Brian Harradine. In a front-page article in the *Sydney Morning Herald*, Mr Keating accused John Howard, the conservative prime minister who replaced him two years ago, of being a "redneck" who had betrayed Aborigines.

On the front lawn of Parliament House, Canberra, protesters planted a "sea of hands", a mass of coloured cardboard symbols that spelled out the word "shame", as the bill which limits Aboriginal rights over traditional lands was debated in the upper house, the Senate.

The Labor opposition and government agree that some new legislation is needed to regulate native title - uncertain land rights granted by the courts in recent years. But the opposition says the government is going too far in protecting farmers from Aboriginal claims.

The opposition justice spokesman Nick Bolkus said that future Australian generations would ultimately be ashamed of parliament's role in limiting Aboriginal rights. "Today is the day of appeasement of racists and racism," he said.

In his article, Mr Keating employed the colourful and scathing language for which he is famous. His main targets were Mr Harradine and Frank Brennan, a Catholic priest who has been a staunch supporter of Aboriginal rights but who appeared last week to side with Mr Harradine's latest tactics.

"Talk about meddling priests!" Mr Keating said. "When Aborigines see Brennan, Harradine and other professional Catholics coming they should tell them to clear out. For only Aborigines know what their permanent interests are and how few are the others in the politics who will truly fight for

BY ROBERT MILLIKEN
in Sydney

them." If Australia had gone to a general election over native title, it is clear that racial division would have surfaced but Mr Keating did not appear to be troubled by this.

Mr Harradine and Mr Brennan, he said, may have imagined they had saved the country from a race-based election.

"In reality, they have saved Howard from paying the price of his folly, and made the Aborigines pay it instead. The country, meanwhile, is apparently supposed to give thanks for being saved once more from honestly facing our oldest moral problem."

"Howard's price would have been a transitory one - his demise, if it happened, but a blip on the screen of our history. The price for the Aborigines is permanent. Extinguishment is final. There will be no revival of certain rights."

Mr Keating was referring here to the Howard bill's refusal to allow Aborigines to negotiate with companies who want to mine on pastoral leases. Farmers on the same leases have such rights.

Ever since the Australian High Court ruled in 1996 that Aboriginal native title could co-exist with farming activities on pastoral leases, farmers have waged a strong campaign for the government to extinguish native title rights altogether.

In Queensland and Western Australia, physically the biggest states, most farming land is comprised of pastoral leases, where farmers hold long leases rather than freehold title.

"And what was the problem with co-existence of title on pastoral leases?" Mr Keating asked.

"Immense properties with one cow to every few hundred square kilometres and Aborigines exercising a right to traverse and live there?"

"Where is one right inconsistent with another? Will the sight of an Aborigine on the horizon somehow make the cow's life unbearable?"

"Whatever was the problem? The Aborigines said clearly that, where pastoralists' rights were inconsistent in any way with their rights over the same land, they would accept the pastoral right as the dominant one."



Protesters mark the 'day of shame' on the lawns of Parliament House, Canberra, before a crucial vote on Aboriginal land rights

Michael Bowers/Reuters

Serb faces first UN genocide trial

A BOSNIAN SERB pleaded not guilty yesterday in the first trial for genocide to open at the UN War Crimes Tribunal at the Hague. Milan Kovacevic, 57, said: "No, not guilty, your honour" as each count was read out.

He has been charged with genocide, war crimes and crimes against humanity for his role in running three notorious detention centres in the Prijedor district of north-west Bosnia.

Thousands of Muslim and Croat civilians were held at the camps at Omarska, Keraterm and Trnopolje after war broke out in Bosnia in 1992, and many were killed, raped and tortured. If convicted, he faces a life sentence.

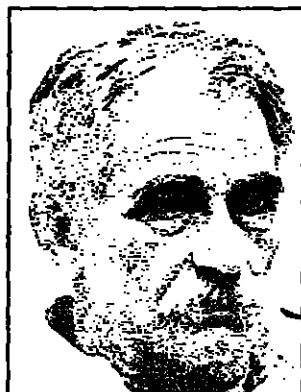
British SAS troops working for the Nato-led peace forces in

BY MARCUS TANNER

Bosnia snatched Kovacevic and one other suspect last year in Prijedor. The other suspect, Sizzo Drijaca, pulled a gun and was shot dead.

Television pictures of conditions in the Prijedor camps shown in July 1992 shocked the world. A memorable shot showed an emaciated, skeletal man fingering the wire fence of the camp behind which the TV crew was filming.

"The evidence will show that the accused acted with the intention to... commit genocide," Brenda Hollis, for the prosecution, said. She said camp guards at Omarska and Keraterm "were free to kill, torture and rape" with no intervention from their superiors. "In Omarska, people saw corpses



Milan Kovacevic, accused of prison camp atrocities

every day... killings were routine in Keraterm." There were so many dead bodies at Omarska that large trucks were needed at times to remove them from the camp, she said.

Kovacevic's lawyer, Dusan Vucicevic, insisted the defendant did not harbour ill feelings toward other ethnic groups.

Kovacevic's function was deputy president of the Prijedor Krizni Stab (Crisis Committee), a body loyal to the Bosnian Serb leader Radovan Karadzic and his ultra-nationalist Serb Democratic Party. It was set up in spring 1992 as the former Yugoslav republic slid towards ethnic warfare.

Serbs were a majority in the countryside round Prijedor, while the Muslims dominated the towns. That made it easy for Kovacevic's group to organise the seizure of the terrain, hem in the Muslims and deal with them at their leisure.

Thousands of Muslims and Croats who failed to escape to Croatia as the Serbs attacked

were transported to the camps, established in empty factories. Some, usually the most prominent citizens, were simply executed. The unlucky were tortured, or forced to perform inhuman acts on other prisoners, such as mutilation. Most of the women prisoners were kept at Trnopolje, where rape and torture were commonplace, tribunal prosecutors say.

That Western TV crews ever got to film what Kovacevic and his men are alleged to have presided over was the result of a bungling by his boss, Radovan Karadzic. Seemingly unaware of what was going in Prijedor, and stung by accusations that the Bosnian Serbs were committing atrocities, he handed out permits to journalists ordering the commanders of the controversial "detention" cen-

tres to let Western observers in. The Prijedor Krizni Stab was liquid but had to comply with the command.

Kovacevic is the first to stand trial on genocide charges. The tribunal has also indicted Mr Karadzic and his wartime military commander, Ratko Mladic.

The trial comes after the Tribunal had the embarrassment of a leading war crime suspect committing suicide in prison. Slavko Dokmanovic, Serb mayor of Vukovar in the early 1990s, cheated a possible guilty verdict over the murder of about 260 Croat hospital patients in Vukovar in November 1991. Kovacevic is one of 27 detainees at the court's detention centre who are facing war crimes charges or awaiting the outcome of appeal.

Kremlin offers Cold War weapons for satellite use

A MILESTONE in nuclear disarmament will be reached today when a Russian submarine launches a Western scientific satellite using one of the most deadly weapons in the Cold War arsenal.

Instead of landing on London or Washington, the Russian SS-23 missile will lift the first civilian satellite into orbit from an underwater launch pad. A Soviet-built submarine, the *Novomoskovo*, will launch the German-made satellite from a position in the Barents Sea just a few miles from the Russian naval port of Murmansk.

The Russians are keen to offer their stockpile of intercontinental ballistic missiles (ICBMs) for launching commercial satellites. The only alternative under the terms of the 1993 Strategic Arms Reduction Treaty would be to destroy them.

The advantage of a submarine launch is that it can take place in any weather from almost anywhere in the world, according to Russian officials in charge of the project. "Any time at all in any conditions," said Vyacheslav Danilkin, deputy general designer at the Makeyev State Rocket Centre, in the Urals city of Miass where the rocket was built.

Today's launch, scheduled for 4pm, is the first important

BY STEVE CONNOR
Science Editor

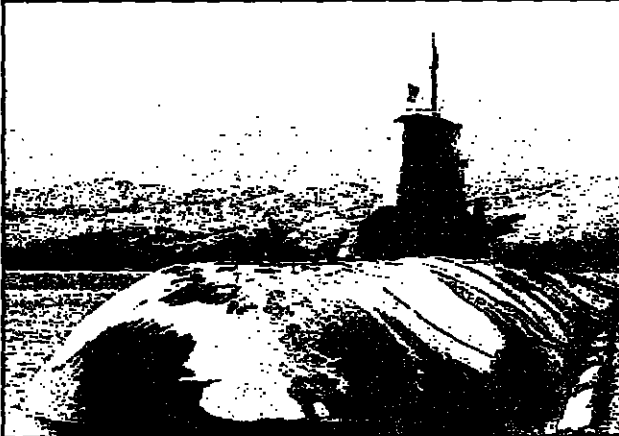
test of the Russian navy's ability to control a civilian satellite project. If successful, it stands to gain dozens of orders from Western companies operating in space.

The German-built satellite, called Tubsat, is designed to track moving objects on the ground and can monitor the movements of anything from rare animals to stolen cars, according to Professor Udo Renner, of the Technical University of Berlin, who helped to develop the satellite.

"We are a little nervous. We usually always tell the press in advance about a launch but this time we thought we would keep it quiet but it has leaked out," the professor said. "This is the first test of a submarine launch and so far everything is going fine. The Russians have been very professional."

The SS-23 ballistic missile has a range of 8,300 miles, but its extra rocket stage can lift the 10kg (22lb) satellite from several feet underwater to an altitude of about 770km (480 miles).

Dr Andrew Coates, a satellite expert at the Mullard Space Science Laboratory at University College London, said the launch will mark an important



A Russian Typhoon class nuclear submarine Credit

point in the disarmament process. "It points to an increasing use of military rockets for peaceful purposes. The problems of launching from underwater are presumably as difficult as putting a warhead on Washington."

Land-launched Russian ICBMs have already been used to launch civilian satellites but a submarine launch offers some important advantages.

"By launching a satellite from the Barents Sea the Russians can put civilian satellites into a much more northerly inclination, which means they can cover a greater area of the world," Dr Coates said.

Alexander Smirnov, a

spokesman for the Russian navy, said that using submarine missiles to launch satellites is the best way of getting rid of them. "Why scrap them into useless pieces of metal when there is such a brilliant chance to make best use of them?"

The Russian navy has seven Delta-IV class submarines which can each carry 16 SS-23 missiles. Mr Smirnov said that launching satellites will enable Russian crews to retain their technical skills, which are being lost through lack of test firing.

American satellite companies have complained that the Russians are undercutting their business with cheap launches.

Shanghai opens to British flights

CHINA HAS agreed to give British airlines direct access to Shanghai for the first time and allow more flights between London and Peking, John Prescott, the Deputy Prime Minister, said yesterday.

Although some details of the air-passenger service agreement were still being worked out, Mr Prescott said the deal was a significant achievement of what he called his "successful and productive" week-long visit to China.

Under the air services agreement Mr Prescott sealed with China's Vice-Premier Wu Bangguo, British carriers will begin two flights a week to Shanghai this year with two more to be added in 2000.

Weekly flights between London and Peking will rise to five next summer and six a year later. It has not been decided which British carriers will get access.

Mr Prescott hailed the agreement as "a significant

step forward" in aviation relations between the two countries.

"I have no doubt that increased trade, business and tourism will justify further increases in air services soon," he said.

Mr Prescott also met China's foreign trade minister, Shi Guangsheng, who called for British help in getting Europe to lift trade restrictions on Chinese goods, including bans on frozen chicken and seafood.

Mr Prescott was the fifth member of the Cabinet to visit China. The visits are scheduled to culminate with the Prime Minister Tony Blair's trip to Peking in October.

The Chinese Premier Zhu Rongji conveyed his hopes for Mr Blair's visit during a three-hour meeting last Friday. His agenda focused on a range of environmental and business issues. The latter included shipping, finance, insurance, aviation and water treatment.

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Honour saved by the art squad

THREE WORKS by Van Gogh and Cézanne, stolen from Rome's National Gallery of Modern Art in May, were recovered by Italian police early yesterday in raids on apartments in Rome and Turin.

L'Arlesienne and *Le Jardinier* by Van Gogh, and Cézanne's *Le Cabanon de Jourdan* were without their frames but otherwise appeared to be in perfect condition when displayed at a press conference in Rome.

Eight people, including a female member of the Modern Art Gallery's security staff, were arrested in the operation, said the chief of the Carabinieri police art squad, General Roberto Conforti, who co-ordinated the search for the missing canvases.

The inquiry, he added, was continuing and more arrests were expected. Of the two works found in Rome, one was discovered wrapped in blankets under a bed while the other was on top of a wardrobe.

The works, valued at £25m, were stolen on the night of 19 May in the first armed robbery in an Italian museum since 1992. The three female guards

By ANNE HANLEY in Venice

on duty were forced at gunpoint to deactivate the gallery's alarm system as three hooded thieves removed the oil paintings from a room containing works by leading 19th-century artists, including Degas, Monet, Courbet and Klimt.

The gallery's night staff were left bound, gagged and unable to notify police, who arrived on the scene hours after the robbers had made their getaway.

Only after the theft was the gallery's alarm system linked up to a police switchboard.

The crime provoked a storm of criticism over museum security. "This was a bleeding wound that Italy didn't deserve," the Deputy Prime Minister, Walter Veltroni, said. "Today the wound is closed."

Investigators have been on the trail of the thieves for the past month, General Conforti said. He told a press conference that the inquiry began with close surveillance, including phone taps, of security staff at the gallery.



Italian police and carabinieri show the two recovered Van Goghs (left and far right) and the Cézanne stolen from Rome

Plinio Lepri/AP

The general said all the people involved were professional thieves with criminal records. The heist was not carried out on commission, and a buyer for the works was still being sought, he added.

The two Van Goghs were the only works by the Dutch artist in Italian collections.

The Cézanne, painted shortly before his death in 1906, was the only work by that artist now remaining at the Modern Art Gallery: a double-sided water colour disappeared from the building's storerooms in February 1992 and has never been traced.

The latest success for General Conforti's art squad, which worked closely with civilian police in the operation, provides a fresh boost for the reputation of a body which now recovers around 50 per cent of all art and artefacts reported stolen in Italy.

Art thefts fell by 40 per cent in the early months of this year,

according to the Cultural Heritage Ministry.

While so many other departments of the Italian state appear incapable of functioning efficiently, the art squad stands out, mysteriously, as something of an exception.

Italy's museums, private owners and almost countless

churches possess about one-third of the world's known historic art works.

But traditionally little attention has been paid to ensuring security for this vast heritage. Between 1970 and 1996 about 470,000 items went missing.

Many of these treasures have been taken from small

local museums and churches which can barely afford to provide sufficient lighting for their art works, let alone install effective alarm systems.

In an attempt to stem the flow of art losses, the ministry last year set up a special 170bn lire fund for improving security in Italy's museums.

US delegation sounds out Nigeria

UNCERTAINTY OVER the timing of the release of Moshood Abiola, Nigeria's most prominent political prisoner and the man deprived of the Presidency in the voided election of 1993, is a sobering reminder of the obstacles in the way of a stable and credible democracy in Africa's most populous country.

Last night, as the weightiest US delegation in five years arrived in the country for talks, Chief Abiola's return to freedom still seemed only days, if not hours away, and could be finalised when the new military ruler, Abdulsalam Abubakar, this week sets out his plans to return Nigeria to civilian rule.

But although the Chief is understood to have dropped his claim to be immediately in-

By RUPERT CORNWELL

stalled as President, saying he wants to focus on rebuilding his former massive business interests, the picture is not quite so simple. If their leader seems to have accepted the view of Europe and the UN that he no longer has a popular mandate to take over, Abiola supporters have not.

Last night, the leader of the visiting American team Thomas Pickering, the State Department's third ranking official, was drawn into the dispute, as the main opposition group urged him not to repeat the mistake of the UN Secretary General Kofi Annan last week, of staying "closeted in [the capital] Abuja" and failing to meet "credible opposition



Abubakar: Has already freed 30 political prisoners

groups". These groups, mostly based in Lagos in the south, insist Chief Abiola should head a provisional government of

national unity that would prepare the ground for elections. Otherwise, they contend, there is no guarantee the country will not slide back into military dictatorship, whatever the good intentions of General Abubakar.

Thus the Chief's release may yet be delayed, clouding the euphoria since the death of General Sani Abacha, whose brutal rule made Nigeria an international outcast, suspended from the Commonwealth and subject to diplomatic and political sanctions.

In the four weeks since General Abubakar has already freed 30 of Nigeria's estimated 250 or more political prisoners and signalled he intends to hand power back to civilian politicians. He has purged one of General Abacha's most pow-

erful and feared advisers, the security chief Major Hamza al-Mustapha, replacing him with a close colleague. But his handling of Chief Abiola will be the acid test.

Renewed ties with the US are an important part of the process of rehabilitation. Nigeria is the biggest market in Africa for the US, which is the main customer for Nigeria's oil, its most important export. As Africa's most populous and potentially richest country, Nigeria is a key regional power and - assuming General Abubakar is as good as his word - a natural strategic partner for Washington.

Even so, Nigeria's return to the international fold will not be overnight. The Commonwealth is doing all it can to encourage

a return to political normality, but says the membership suspension will not be lifted until elections are held.

Originally the deadline was 1 October, but that had already been made a mockery of by General Abacha, who had lined himself up as the sole candidate, backed by five officially approved parties.

General Abubakar is expected to seek a delay when he spells out his plans for Nigeria's future later this week, and one Lagos paper predicted he may put the election back by up to a year, to allow new parties to be registered and organised. But provided the end is not in doubt, and a monitoring process is in place, the Commonwealth and others will not overly object.

Death squad 'dumped French nuns in river'

AN ARGENTINE former police officer has broken two decades' silence to talk about the disappearance of two French nuns in the dictatorship's "dirty war", saying that their bodies were put in a sealed drum and dumped in a river.

Using the alias Mario Gomez, he threatened a reporter from *Perfil* newspaper, which published the interview yesterday, saying that she would "have 24 hours to live" if she revealed his true identity.

"Gomez" said he was a senior officer in a federal police task group - the official euphemism for the death squads - during the 1976-83 military dictatorship. The operations that his group carried out included the death of the nuns, Leonie Duquet and Alice Domon, in 1977. They are among thousands of people who disappeared into torture centres. Some were thrown into the ocean from "death flights", others were buried in secret graves.

Human rights groups estimate that 30,000 died or disappeared in the dirty war. Official records list 15,000.

The nuns' kidnapping is blamed on former navy captain Alfredo Astiz, dubbed the "Blond Angel", a notorious death squad officer who has been sentenced in absentia by French courts to life in prison.

The nuns were helping the human rights group Mothers of Plaza de Mayo when it was infiltrated by Astiz. They are believed to have been taken to the navy's ESMA torture centre, but the exact circumstances of their

death is not known. "Gomez" said they "were not nuns, they worked as couriers for the left".

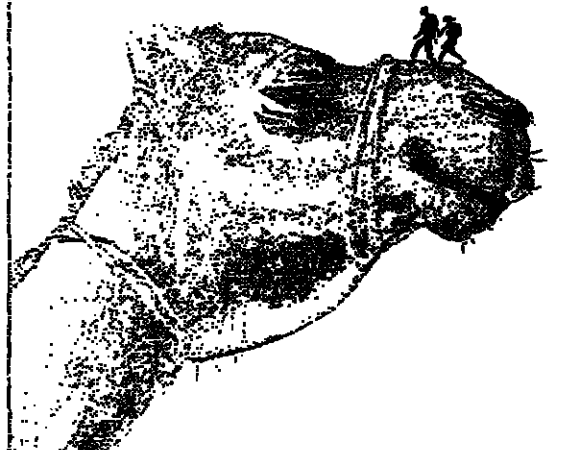
He said their disappearance was managed by another navy officer, Jorge "Tigre" Acosta, but did not say how they were killed, only what happened to their corpses. "When the women you call nuns were eliminated, they were put in a drum which was dumped in front of the hotel in Tigre [a delta near Buenos Aires], at the canal entry," he said.

"Gomez" said he "shot to kill and killed on 22 occasions" but was not sorry for his role in the terror. "I do not regret anything. Everything I did, I did knowing it was right. Anyone can repent, not me. I was the best," he said. However, he said his own daughter rejected him when she found out what he did. "She said she was disgusted and doesn't let me see my granddaughter."

"Gomez" said that as well as combating Argentine guerrillas he also went on missions to Nicaragua and El Salvador. He was not prosecuted in the trials of the juntas in the Eighties and said authorities could not track him down because he had successfully used an alias in the death squad.

Earlier this year, Alfredo Astiz gave an interview in which he boasted he was "the best-trained man in this country to kill a politician or a journalist". It cost him his navy rank and pension and a prompted a string of lawsuits against him for defending the dirty war.

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Polish cross stalls Auschwitz accord

A CONTROVERSY over a large cross outside the former Nazi death camp at Auschwitz may keep Jewish groups from signing a declaration supporting the Polish government's efforts to renovate the camp and its surrounding area.

The Polish authorities and representatives of Jewish organisations were supposed to sign the declaration in mid-July. But an aide to the Polish Prime Minister, Jerzy Buzek, told the *Rzeczpospolita* newspaper that the declaration will not be signed then as planned.

Agnieszka Magdziak-Miszewska said leaders of the World Jewish Congress have suggested they cannot sign the declaration, which received preliminary approval in March

1997 from representatives of about 30 Jewish organisations, because they object to the presence of the cross near the camp. Jewish organisations argue that the 26ft cross disturbs the memory of the more than one million Jews who died there - and they want it removed.

For other Poles, the cross, located where 152 Nazi resistors were murdered in 1941, remains a symbol of the nation's martyrdom under the Second World War German occupation.

Krzysztof Silwinski, a Polish Foreign Ministry official in charge of Polish-Jewish relations, said that the issue may be discussed when Poland's Prime Minister meets Jewish leaders during his visit to the United States - a visit which is ex-

pected to begin on Thursday. Work on the 10-year, \$93.5m development at Auschwitz began last year. Poland has earmarked 60 million zlotys (\$20m) over five years for the project.

Among the main additions will be a link between Auschwitz and Birkenau, the former camp's two integral parts, which are some 1.8 miles apart. Officials hope it will encourage more people to visit both parts of the camp.

The programme also ensures the preservation of a 1,650ft protection zone established around the museum by Unesco in 1979, and it will offer economic incentives for the surrounding city of Oswiecim, which has a population of 50,000.



The cross that is upsetting Jews Reuters

Berbers protest

HUNDREDS OF Berbers took to the streets of the Algerian capital, Algiers, in protest at a new law making Arabic compulsory for all official business.

They demanded recognition of their Tamazight tongue as an official language and chanted within a security cordon set up by anti-riot police.

Up to five million Algerians are believed to be Berber-speakers.

For three decades they have tried to have their language given the same official status as Arabic.

Many Algerians fear that if the matter is not resolved hundreds of thousands of Berbers, armed by the government to fight Muslim rebels, might turn their guns against state forces.

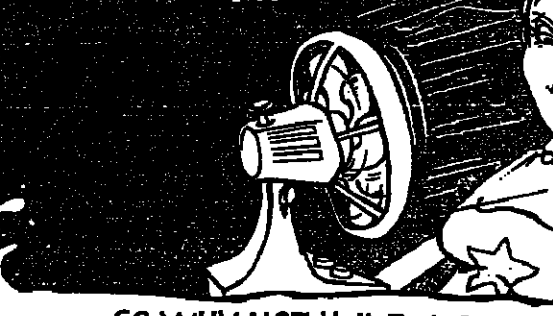
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'I'm a prostitute - I have no choice, so I lose no self-respect'



Moscow prostitutes - the profession is high on the list of schoolgirls' favoured jobs
Helen Womack

THE REAL-LIFE tales of Russia in transition to capitalism are almost always full of pain. Even the success stories have a certain bitterness to them. I suppose this must count as a case of achievement, for it is about a young woman who has won her independence, who has bought her own flat, who is among the top 4.5 per cent of wage earners in the country. She has higher education. And the only way she has managed to get where she is today is by selling herself as a prostitute.

Nadia is not one of the tarts who stands on the main Tverskoi Street, in Moscow, serving the visitors who come out of the Intourist Hotel on one side and the politicians who emerge from the State Duma or lower house of parliament on the other.

She advertises in the discreet "Introductions" section of the *Moscow Times*. An intelligent woman with a rare ability to analyse her own situation dispassionately, she has agreed to talk to me without charging money. I think because she wants to explain herself and to be understood.

We meet on a bench under the trees on Tverskoi Boulevard. I recognise Nadia immediately from her description of herself: petite, blonde. She is tastefully dressed in black trousers, blue and green silk blouse and denim jacket and

STREET LIFE SAMOTECHNY LANE, MOSCOW

wears far less makeup than the average Russian secretary.

Nadia, 35, grew up in a village in Siberia and studied to become an engineer. She ended up in her present profession five years ago after her marriage to a Muscovite broke down and she suddenly found herself alone in the capital with nowhere to live. "I had a choice: either to go back to Siberia or to try and make a go of it here. There's no work now in Siberia, where the vast majority of people have not been paid for months. So I decided to stay in Moscow, renting a flat at first."

Nadia has come to our meeting armed with facts and figures. From her handbag, she pulls out a cutting from a newspaper, which states that although Russian prices have reached world levels, wages have not caught up. Nineteen per cent of Russians earn the equivalent of US\$70 a month, 22 per cent make 100, 18 per cent have 120 and so on. Only 4.5 per cent of the population can count on a monthly income of over \$300. Nadia is one of them. After paying all her work expenses, Nadia is left with between \$600 and

\$700, for which she will have slept with 20 to 30 men each month.

"A lot of the money goes to buy medicines for my mother," she says, taking out a photograph of a prematurely aged woman, her legs covered in varicose veins, sitting outside a wooden house in Siberia. "My mum worked for 45 years as a teacher of Russian Literature in the village school. Her pension today is worth \$50 a month. She has no idea what I am doing in Moscow. If she found out, it would kill her. She thinks I have a good job in a firm."

Nadia passes her spare time improving her English. "Your English is not bad," I say, "and you're a qualified engineer. Why don't you really get a good job in a firm?"

"Because nobody pays a living wage. I've had other jobs. I worked in a restaurant, for example. I earned \$100 a month and got shouted at all the time. If I'm going to be humiliated, I'd rather be humiliated for a decent sum of money."

And so she acts as lover, psychologist and social worker to an endless stream of inadequate foreign men. "I prefer foreigners to Russians because they're safer," she says. "On the whole, the Western businessmen who come to Russia are not maniacs, something you cannot say about our men."

She may be right about that. Lyuba, another prostitute with whom I spoke before meeting Nadia, gave horrifying details of violence she had suffered at the hands of Russian mafia clients. On one occasion, she had been nearly drowned in a plunge pool when a gangland party in a sauna bath got out of hand. But Lyuba is the sort of Russian who puts a brave face on suffering. She actually said she enjoyed her job because she "liked meeting people".

A recent survey showed that prostitution is high on the list of professions that modern Russian schoolgirls dream of pursuing. "It's hardly surprising," says Nadia, "when they see that studying and honest work get them nowhere."

Nadia herself is plotting her escape from the sex trade. She thinks she may rent out her flat in the city centre, rent a cheaper flat for herself on the outskirts and live on the difference. But first she must build up her savings, which means another year or two on the game.

"Of course I accept society's view that prostitution is a dirty business," she says. "In the West, women have a chance to use their qualifications and are not reduced to this. But since I have no choice, I feel no loss of self-respect. I think you cannot condemn me too harshly. After all, it's not my fault."

HELEN WOMACK

Smart missile scares Lebanon

ISRAEL HAS introduced a new anti-personnel rocket into its guerrilla war in occupied southern Lebanon, a four-foot missile which can be guided over mountains, through valleys and round houses in its search for a target.

Code-named "Spike", the new weapon has already been used at least twice in southern Lebanon - both times at night - and has been observed by soldiers of the United Nations' Finnish peacekeeping battalion.

An Amal militiaman was killed when the rocket sought them out near the village of Toulun earlier this year.

The missile appears to be guided to its target either by a control point on the rocket's fuselage - a remote-controlled television camera, for example - or by a line-of-sight controller positioned near the potential victim.

At Toulun, guerrilla sources suspect Israeli troops may have approached the village and remotely guided the weapon - fired from a neighbouring hilltop bunker - on to the guerrillas.

Its disadvantage, noticed by both Finnish UN personnel and by Amal, is that it makes a roaring sound as it approaches its target and emits a three-foot tongue of flame from the rear of the missile.

It was the sound of its engine that alerted the four Amal men, giving three of them time to throw themselves to the ground and avoid serious injury.

The "Spike" is believed to be made by the Israeli Raphael missile company, which at present has close technical and financial links with the US Lockheed aerodynamics company in Florida.

But the missile has not had a happy career. Weapons specialists believe it was an early model of the "Spike" - apparently intended to be used in an assassination attempt against Saddam Hussein or against the leader of the Hizbollah guerrillas in Lebanon, Sayed Hassan Nasrallah - that exploded prematurely and killed five Israeli soldiers in the early 1990s. At the time, Israel would only say that five of its men had died in an explosion during a weapons experiment in a desert area.

In southern Lebanon, the "Spike" was seen climbing over a mountain, flying round the side of a ravine, swooping into a "wadi" and then turning to head for the village of Toulun.

If it was considered a suitable means of attacking the Iraqi leadership five years ago - when it would presumably

BY ROBERT FISK
in Beirut

have been handed over to American-backed Iraqi assassins - it would have to have been smuggled to Baghdad for use in the city.

Since this sounds more like the plot for a Hollywood film, it is more likely the weapon was intended for the Hizbollah leadership. Sayed Abbas Moussawi, was himself assassinated by an Israeli guided missile, fitted with a television camera, fired from a helicopter over southern Lebanon in February 1992, as he was returning to Beirut from the village of Jibchit.

While Israel has been trying to introduce new technology into its war inside southern Lebanon, the Hizbollah themselves have clearly acquired a considerable quantity of extra weapons in the past few weeks.

In last week's mass attack on positions run by Israeli occupation troops, it now transpires, the Hizbollah fired 83 Sagger wire-guided anti-tank missiles at artillery batteries belonging to Israeli occupation forces.

They were also seen using recoilless rifles - small artillery pieces fired from trucks - and 49mm Russian anti-aircraft guns fired with flat trajectories at Israeli positions. Both these weapons are old - but ferocious enough when fired over open sights at fixed positions in the hills of southern Lebanon.

Far more disturbing for the Israelis is the growing suspicion that the Hizbollah have also acquired a new, longer-range version of the Katyusha rocket, with a range of up to 50 miles. In theory, this would put Haifa in range of the guerrillas.

In reality, a longer-range rocket is more likely to be used not against Haifa but against Israeli troops inside southern Lebanon - fired from Beirut or its suburbs. This would geographically extend any future guerrilla war in Lebanon to embrace up to half the country.

A five-power monitoring group continues to meet to hear complaints from Lebanese and Israelis about breaches of the 1996 ceasefire in southern Lebanon.

The committee is to hear at least 11 complaints from both sides when it meets again later this week. Israel is complaining Hizbollah are now using 122mm artillery against them. Hizbollah's capture of an Israeli position last week demonstrated yet again how poorly Israel is able to defend its occupation zone inside Lebanon.



A man celebrates the opening of the San Fermin bull-run fiesta in Pamplona amid a sea of Basque flags and scarves. Starting today, hundreds of people will run with six fighting bulls through the streets during the nine-day event
Paul White/AP

IN BRIEF

Diplomats try to restore calm with tour of Kosovo battlefields

DIPLOMATS FROM Britain, the United States, Russia, Poland and the European Union yesterday set out on a patrol into the Serbian province of Kosovo, visiting an area where more than 80 people died last March. And said their goal was to prevent a recurrence.

The observers went north to Mitrovica then headed west to the edge of the Dracina triangle, a hardcore ethnic Albanian stronghold surrounded by Serbian checkpoints.

The trip was largely symbolic, to initiate a more thorough system of international patrols sought by Kosovo's ethnic Albanian majority to monitor activities of Serbian security forces, and by Serbs to check on Albanian separatist guerrillas. Richard Miles, chief of mission at the US embassy in Belgrade, said the patrols were intended to help efforts to find a peaceful solution to the Kosovo crisis.

French vote on New Caledonia

LEGISLATORS MET yesterday in Versailles to give final ratification to an agreement that could lead to complete independence for the French territory of New Caledonia. Deputies and senators were expected to vote overwhelmingly in favour of the Noumea agreement, which provides for a 20-year transition to independence.

Trans-Siberian railway blockade

SIBERIAN COAL miners blocked the Trans-Siberian railway for a fourth day yesterday while other labour unions sought to have the blockade lifted to keep their own industries going. At least 29 freight trains with as much as 250 tons of cargo were halted yesterday, the Russian railway ministry said.

Death urged for cult member

JAPANESE PROSECUTORS yesterday asked for the death sentence for a member of the doomsday cult linked to the 1995 Tokyo subway gas attack. The sentence was demanded at the trial of Kazuaki Okazaki, 37, who is charged with the 1989 murders of lawyer Tsutsumi Sakamoto, his wife and one-year-old baby son.

It was the first death sentence sought for members of the Aum Shinrikyo ('Supreme Truth') sect, whose leaders are also on trial for a sarin nerve gas attack on Tokyo subway trains in 1995 which killed 12 people and made thousands ill.

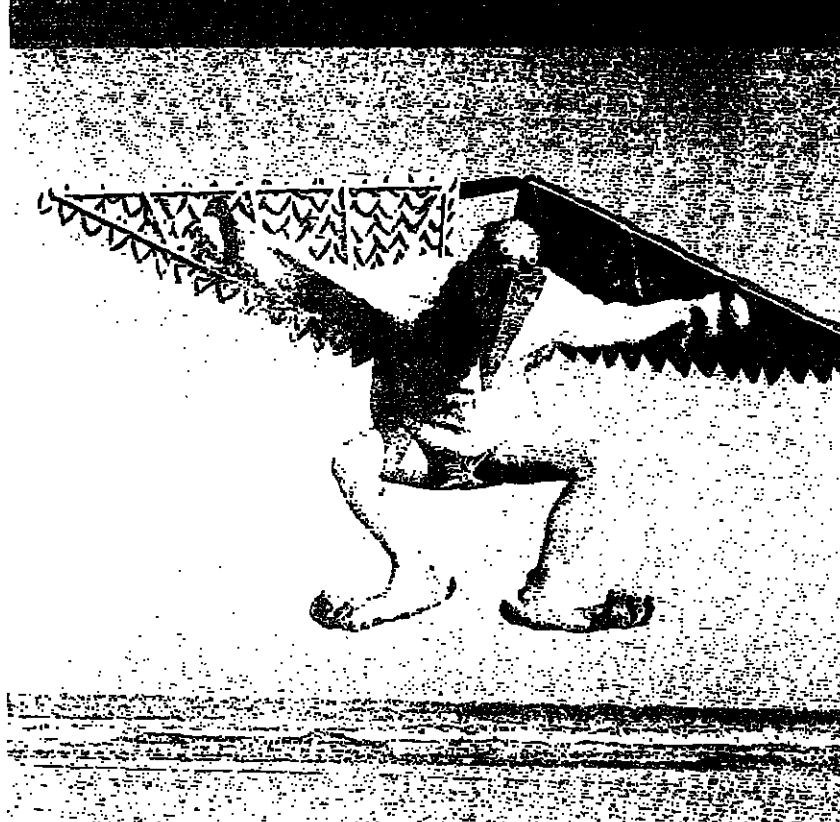
France acts to stop BSE

A NEW case of bovine spongiform encephalopathy (BSE) - or "mad cow disease" - has been found in the Loire Valley region in central France and the animal was destroyed, the farming ministry said yesterday. It was the seventh case reported in France this year, and the 37th since 1990. Britain has been worst affected by BSE. The European Union imposed a beef export ban on Britain after the Government admitted in March 1996 a possible link between the disease and its fatal human equivalent, Creutzfeldt-Jakob disease.

Singer hits a fatal note

DRUNKEN REVELLERS fatally stabbed a man after he sang an off-key rendition of a popular love song, "Remember Me", at a Manila pub. His rendition drew jeers from 10 men, who later attacked the singer with knives, bottles, wooden clubs and a gun, police said.

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BUSINESS

BRIEFING

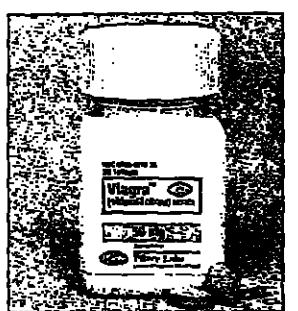
London and German bourse link

THE LONDON stock exchange looked on the brink of a surprise alliance with the German bourse yesterday, after market sources said the two rivals were planning a joint news conference for today.

Speculation of a tie-up between the two exchanges were fuelled by a mysterious announcement late yesterday by the German bourse that it would hold a press conference in London this morning. Deutsche Börse and the LSE declined to comment on the content of the announcement.

The two exchanges have been locked in a fierce battle to become Europe's financial centre after the launch of the euro in 1999.

US insurers turn down Viagra



TWO BIG US health insurers said they were refusing to pay for Viagra, the anti-impotence drug developed by Pfizer, the pharmaceuticals giant. Prudential Healthcare, a division of Prudential Insurance of the US, said there was too little clinical data to prove that the drug was totally safe for the elderly, often ill men who might use it. Humana Inc, a rival health insurer, was also reported to be refusing to pay for the drug.

Diageo takes US court action

DIAGEO, the spirits group formed from the merger of Guinness and Grand Metropolitan last year, has asked the US court in Santiago, Texas, to intervene in a dispute and issue an injunction against tequila producer Jose Cuervo.

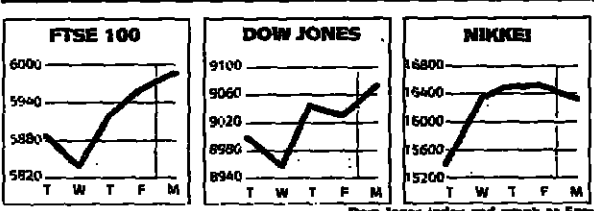
The tequila group wants to have the terms of its distribution agreement changed following the £24bn merger. It is arguing that the deal constitutes a "change of control" and that it should have the right to renegotiate its supply and distribution contract with Diageo.

Diageo filed papers with the US court on 2 July, asking for the existing agreement to be kept in place. Diageo said the group is "very confident" that it will succeed in its action.

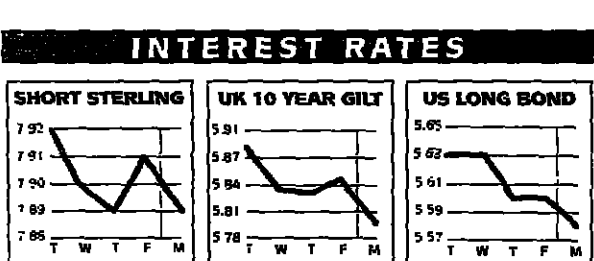
The news came as Diageo unveiled a disappointing trading statement that featured higher-than-expected tax charges and continued impact on profits from currency fluctuations.

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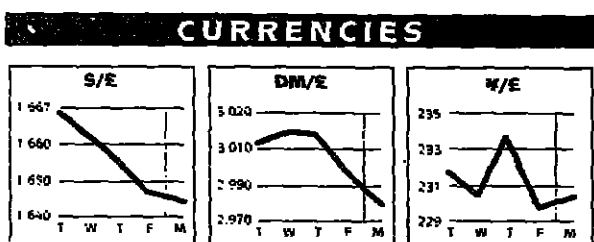
STOCK MARKETS



Index	Close	Change	Change (%)	52 wk high	52 wk low	Yr. Yield (%)
FTSE 100	5990.30	1.50	0.03	6150.50	4382.80	3.82
FTSE 250	5588.50	2.80	0.05	5970.90	4384.20	3.47
FTSE 350	2883.00	0.00	0.00	2940.10	2161.80	3.76
FTSE All Share	2807.13	0.56	0.02	2872.04	2106.59	3.72
FTSE SmallCap	2598.60	-5.90	-0.23	2793.80	2182.10	3.19
FTSE Fledgling	1426.50	-3.40	-0.24	1517.10	1225.20	3.34
FTSE AIM	1093.00	-2.00	-0.18	1146.90	965.90	1.16
FTSE EBLIC 100	1080.46	6.82	0.64			
Dow Jones	9070.35	39.11	0.43	9261.91	6971.32	1.58
Nikkei	16320.45	-160.75	-0.97	20598.67	14488.21	0.93
Hong Kong	8484.12	-155.19	-1.80	10820.31	7351.88	4.83
Dax	5918.37	-34.79	-0.58	5980.30	3487.24	2.71



Index	3 month	6 month	1 year	10 year	30 year	Yr. Yield (%)
UK	7.87	8.00	8.00	5.79	-1.23	5.37
US	5.69	-0.08	5.81	-0.22	5.39	-0.87
Japan	0.01	-0.02	0.54	-0.17	1.61	-0.93
Germany	3.56	0.43	3.85	0.58	4.71	-0.89



Index	Close	Change	Yr. Ago	Index	Close	Change	Yr. Ago
Dollar	1.6444	-0.36	1.6872	Sterling	0.6081	+0.13p	0.5927
D-Mark	2.9787	-1.70p	2.9539	D-Mark	1.8114	-0.70p	1.7512
Yen	230.67	+0.16	190.48	Yen	140.33	+0.02	112.78
E index	106.40	-0.90	104.00	S index	112.80	-0.40	102.40

Index	Close	Chg	Yr. Ago	Index	Close	Chg	Yr. Ago
Brent Oil (\$)	11.73	-0.34	18.03	GDP (114.80)	3.00	111.46	Aug
Gold (\$)	293.00	-1.70	325.25	RPI (162.50)	4.20	196.91	Jul
Silver (\$)	5.32	-0.13	4.55	Base Rates	7.50		6.50

www.bloomberg.com/uk SOURCE: BLOOMBERG

Country	Rate	Country	Rate
Australia (\$)	2.5760	Mexican (nuevo peso)	13.29
Austria (schillings)	20.26	Netherlands (guilders)	3.2495
Belgium (francs)	59.55	New Zealand (\$)	3.0498
Canada (\$)	2.3432	Norway (krone)	12.34
Cyprus (pounds)	0.8425	Portugal (escudos)	203.45
Denmark (krone)	11.05	Saudi Arabia (rials)	5.9676
Finland (markka)	6.8187	Singapore (\$)	2.6756
France (francs)	6.8544	Spain (pesetas)	244.13
Germany (marks)	2.8921	South Africa (rand)	10.42
Greece (drachma)	481.72	Sweden (krone)	12.90
Hong Kong (\$)	12.30	Switzerland (francs)	2.4378
Ireland (pounds)	1.1431	Thailand (bahts)	60.97
India (rupees)	63.91	Turkey (liras)	424711
Israel (shekels)	5.5550	USA (\$)	1.5998
Italy (lira)	2855		
Japan (yen)	225.90		
Malaysia (ringgits)	5.5336		
Malta (lira)	0.6268		

Notes: 1. For most currencies, rates are for 1 unit of local currency against 1 US dollar. 2. Source: Thomas Cook

Eastern chief mulls bid for Powergen station

JOHN DEVANEY, chairman of the electricity supplier Eastern, is poised to quit and launch his own bid for one of the power stations being sold by PowerGen.

Mr Devaney had been expected to leave Eastern after the £4.45bn takeover of its parent, Energy Group, by the US utility, Texas Industries.

But he is understood to be keen to find a niche that would allow him to stay in the electricity industry and run his

BY MICHAEL HARRISON

own business as well. Taking over PowerGen power station would let him do just that.

Mr Devaney will decide in the next week whether to enter the bidding. If he does, then Eric Anstee, Energy Group's finance director, is likely to partner him in the venture.

The two men already have several other joint business interests, including an engineer-

ing firm and a marine publisher. Mr Devaney joined Eastern in 1992 from Varsity Corporation, while Mr Anstee arrived from Ernst & Young, where he was a partner, a year later.

PowerGen has offered to sell off 2,000 megawatts of generating capacity in return for permission to proceed with its £1.9bn bid for East Midlands Electricity: the station likely to be sold is Ferrybridge in Yorkshire, raising £400m to £500m.

However, industry observers believe PowerGen is almost certain to be told to sell off a lot more to increase competition in the generating market. The Government has made disposal of coal-fired power stations by the two price setters - PowerGen and National Power - central to its energy policy.

The regulator, Professor Stephen Littlechild, is consulting on how much should be disposed of amid indications that

he wants both generators to offload 6,000 to 8,000 megawatts.

Eastern is now number five in the market, with 10 per cent, after buying 6,000 megawatts of capacity from National Power and PowerGen in 1996 - but it would be barred from taking part in the latest auction.

PowerGen has received ten expressions of interest. Other would-be bidders are thought to include Mission Energy of the US, that took over the Nation-

Grid's pumped storage stations; Centrica, the demerged trading arm of British Gas; Southern Electric, and Southern Company of Georgia, that owns SWER and once considered bidding for National Power.

If Devaney and Anstee leave it will be a clean sweep of Energy Group's top people. Derek Bonham, executive chairman, has already indicated he intends to leave, and may build his own mini conglomerate.

DTI to step in to save BA deal

BY MICHAEL HARRISON

THE GOVERNMENT is set to broker a deal to keep alive the British Airways alliance with American Airlines in the face of tough conditions due to be imposed on the deal tomorrow by Brussels.

The European Competition Commissioner, Karel Van Miert, is expected to insist that the two airlines forfeit at least 260 runway slots in London in return for approving the alliance. Mr Van Miert is also insistent that BA should not be able to trade the slots.

However, BA is now pinning its hopes on the Department of Trade and Industry amending the European Commission's terms. This might involve some changes in the number of slots to be surrendered and extensions to the time-scale over which they have to be given up.

The DTI has the regulatory responsibility for vetting the deal on this side of the Atlantic. The Office of Fair Trading initially recommended the deal be cleared provided BA and AA surrendered 168 slots, while the Commission initially wanted 350 slots to be given up.

BA sources indicated that if a smaller number of slots were to be sacrificed then it might be prepared to hand them back free rather than selling them to rivals.

Whitehall officials stressed that the Government was not seeking a confrontation with Brussels over the BA-AA tie up. But one said: "The Commission's announcement will leave a lot of loose ends to be tied up and the devil will be in the detail. The game will not be over at that point."

If the alliance fails to proceed then there will be no "open skies" agreement on transatlantic air services designed to increase the number of carriers and improve competition.

BA shares rose 19p to 688p as dealers bet that the alliance was at last on the point of being given the go-ahead. BA and AA first announced the link up two years ago. Even after Brussels has ruled they still need approval from the US Department of Transportation.



Nowell Stebbing sued Chiroscience over the withdrawal of share options

Chiroscience to pay £3m to former chief

CHIROSCIENCE, one of the UK's leading biotechnology companies, yesterday agreed to pay £3.25m to Nowell Stebbing, its former chief executive, after a last-minute settlement ended a two-year long legal battle.

The two parties agreed the payment, which includes around £255,000 costs, just minutes before the case was due to be heard by a High Court judge. Chiroscience shares were marked down after the news of the settlement and closed the day 6p lower at 265.5p.

The company will pay around £2m of the total through yesterday's placement of around 800,000 existing shares, part of its employee share ownership plan, with institutional investors.

The effect of the payment on Chiroscience's accounts for the current financial year is set to be around £250,000, as the company has already made a £1m provision for the case in its last

BY FRANCESCO GUERRERA

est results published in February.

In February 1996, Dr Stebbing sued Chiroscience for damages, believed to be up to £2m, over the withdrawal of a number of share options awarded to him before and after the company's flotation in February 1994. He claimed the company wrongfully removed part of the options issued before the listing when he became a non-executive director in May 1995.

Dr Stebbing had already stepped down from chief executive to deputy chairman in 1993 when he discovered he had stomach cancer. He decided to move to a non-executive position two years later and negotiated his new contract with the then chairman Henry Simon.

The company claimed that at the time of his appointment as an executive director, Dr Stebbing had agreed to forfeit

around two-thirds of his options if he were to move to a non-executive position.

Dr Stebbing left the company in August 1995 with a £101,000 compensation package. Later that year he exercised all of his remaining options, netting £6.2m. He was also suing the company for wrongful dismissal, but it is understood that claim has now been dropped.

Dr Stebbing appeared elated when the settlement was announced in the High Court but refused to comment outside the chamber. In a later statement, he said: "It has been a very prolonged, expensive and stressful matter trying to obtain even a part of what Chiroscience took away from me."

John Padfield, Chiroscience's chief executive, said: "Although £3.25m is a significant sum to go to one individual, it is good to get the case out of the way and to move on."

Outlook, page 15

Ministers act on EU arms strategy

SIX European Union defence ministers last night met to set out a plan of action to help Europe's defence industry restructure to meet the challenge of US competition.

The six ministers - from the UK, France, Germany, Italy, Spain and Sweden - gathered to sign a letter of intent at Lancaster House, London. The letter provides a framework for developing concrete practical measures governments

can take to assist the industry restructuring process.

The Ministry of Defence said the letter of intent identified potential obstacles to restructuring in six key areas and possible means of removing them. Working groups will now be established to carry the work forward, and solutions to the problems will be set out in separate agreements.

The Ministry of Defence listed the six key areas as:

Security of supply - ensuring that countries can rely on each other to provide defence equipment if restructuring means that production is concentrated in other partner countries;

Export procedures - ensuring that companies will be able to export major systems, including sub-systems manufacturing, in other partner nations;

Security of information - ensuring that classified information is protected when it is

passed to a newly-formed joint company;

Research and technology - cutting down wasteful research duplication between countries;

Treatment of technical information - transferring intellectual property rights to newly-formed joint companies;

Harmonisation of military requirements - ensuring that companies will be able to market similar equipment to different countries.

Economists at Paribas cautioned: "If manufacturing were the Bank's focus we would not have had a hike last month either. We see one more hike in rates in the UK and we think it will come this week."

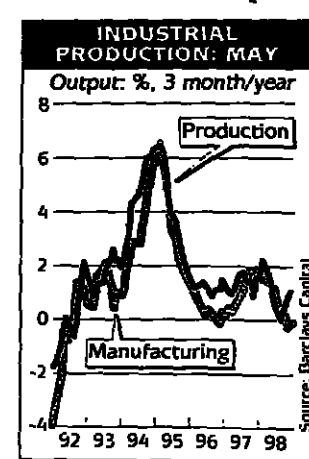
At ABN Amro, though, the mood was more optimistic. The bank said: "The additional weakness in manufacturing shown by these data will help convince the Committee that no

of this year. Executives have lost confidence since March and believe interest-rate hikes will put an end to the boom.

Sudhir Jankar, associate director of economic analysis at the CBI, said: "We are seeing definite expectations of a slowdown in business growth. There are signs of a slowdown in activity and certainly a failure of business confidence to rise."

A total of 169,789 new cars were registered in June - 12 per cent ahead of the month last year. Sales for the first half of the year were up by 8 per cent on 1997 at just over 1 million.

Imports accounted for two-thirds of the new cars bought last month, and Ford was again the market leader with a 19.6 per cent share.



INDUSTRIAL PRODUCTION: MAY
Output: % 3 monthly
Production
Manufacturing
Source: Barclays Capital

AROUND THE WORLD'S MARKETS

LONDON

POOR manufacturing figures, supporting fears that economic growth is slowing, unsettled the market. With interest rate worries and the Asian crisis depressing sentiment, Footsie began by falling 57.3 points.

But prices recovered, helped by a firm New York opening, and the index ended with a 1.9-point gain to 5,990.3. Telecoms shares again led, with BT charging up 19.5p to 791p on suggestions that it may return £3bn to shareholders from the sale of its stake in MCI of the US.

Derek Pain, page 19

NEW YORK

SHARES were mostly higher at midday, with a surging Internet sector leading the technology group to the biggest gains. The Dow was soon up 42 points to 9,068, while the technology-laden Nasdaq composite was up 13 to 1,907 near its closing record.

Of Internet stocks, Lycos soared 11 1/4 to 90 1/4 after announcing a two-for-one stock split. Netscape was the most active Nasdaq stock, climbing 2 to 43 1/4. Traders and analysts said the strong dollar and bond markets were boosting stocks.

TOKYO

TOKYO STOCKS closed moderately lower on Monday as uncertainty over whether the government will introduce permanent income-tax cuts, widely seen as necessary to revive Japan's economy, sapped energy from the market.

The Nikkei 225 closed down 160.79 points, or 0.97 per cent, at 16,350.45, snapping an eight-session winning streak. Weekend comments by the Prime Minister, Ryutaro Hashimoto, that he had not pledged permanent tax cuts in a speech last week, also hit the yen, which fell to 140 yen to the dollar.

GERMANY

THE MARKET finished clear of earlier lows in a session marked by thin trade and little initiative.

The blue-chip DAX index closed down 19.39 points at 5,942.06, having earlier fallen nearly 35 points. One trader said: "There's no impulse. It's the summer and the mid-year point."

Among the decliners, Hoechst AG fell DM1.55 to DM 94.70 after Bayer's chief executive, Manfred Schneider, finally ended weeks of speculation that Bayer was planning to announce a takeover of Hoechst on Friday.

MEXICO

THE Mexican bourse posted narrow losses at the start on Monday on light profit-taking triggered by overnight weakness on Asian markets and an early dip on Wall Street. Dealers said:

The IPC share index was down 19.54 points, or 0.44 per cent, at 4,464.21. Volume was very thin at 360,000 shares. Dealers said they would watch with interest the vote count after elections for three state governors on Sunday. But they said the polls would not affect the markets unless there were sharp disputes over the results.

Doubt cast on Chancellor's figures

WITH THE Government all in a tizzy about its relationship with business lobbyists, things are beginning to look decidedly sticky for the Government on the economic front too.

The row about how to treat the costs of the Working Families Tax credit may be indicative of more deep-rooted problems in policy. On one level, this looks like a rather arcane argument about which side of the balance sheet to account for the measure. Certainly that is the manner in which the Government chose to reveal to the nation that the costs would be taken against tax rather than added to spending - via an obscure and at the time unpublished answer to the Commons Treasury Select Committee.



OUTLOOK

Whether the £5bn a year eventuality of this policy is deducted from the tax take, or added to public spending, in the round it makes no difference. Either spending is higher by said amount, or the tax take is lower by it; whichever way, the budget deficit or surplus remains the same.

However, there's plainly more to this. The Government has just published new public spending totals which allow for a real rise of 2.75 per cent per annum for the next three years. These figures are already

higher than might be considered prudent, but it now transpires that they did not include the spending on the Working Families Tax credit. Instead the Government plans to count this amount against tax.

Government projections for the tax take were beginning to look more than a little suspect even before this little teaser came along, since they are based on the economy growing by 1.75 per cent this year, 2 per cent next, and 2.25 per cent thereafter. These are still achievable rates of growth, but they look a good deal less certain now than they did. Fortunately for the Government, the WFTC effect has been built into Treasury projections of the total tax

take, but even so Government projections of a Budget surplus by the turn of the century begin to look a touch on the ambitious side.

In point of fact, the public finances in Britain are in much better shape than most of the rest of Europe, so it may not matter very much. However, the difference is that Continental Europe is still largely on the upside of the business cycle; in Britain we are now picking up speed down the other side.

If tax receipts fall a long way short of projections, then the public finances aren't going to look so great after all. Trouble is that the Bank of England's Monetary Policy Committee, striving to meet Gordon Brown's inflation target, is more or less obliged to ensure that it does. Let's get this in perspective. The situation is not yet dire. But things are not going as swimmingly as they were for the Chancellor.

Mutuals need protection

IT IS hard to see how the Nationwide is ever going to put the lid finally on attempts by the carpet-

bagger to have the society demutualised. Having failed to get their people elected to the board last year they are back again with a raft of motions, all of which invite directors to consider conversion in some shape or form. Presumably, they'll just keep on returning until they win.

By all accounts, there's a fair chance of that happening this time round. With less than three weeks to go before the ballot closes, the votes are said to be running neck and neck, with far more members having voted than at the comparable stage last year. Board members are still hoping their mutual supporters are a bit like Labour Party voters, in that they'll come all in a rush right at the end. But they cannot count on it.

This column, among others, has long argued that Nationwide should remain a mutual, not only because it is important per se that diversity of corporate organisation and ownership is maintaining in the economy, but also because without shareholders to service, mutually owned building societies provide an important competitive brake on converted societies and banks. Without the Nationwide and the

dwindling band of other mutuals, borrowing rates would almost certainly be higher and saving rates lower.

The problem is that though it might make financial sense for borrowers to remain mutual, the benefits for most savers, with relatively small amounts on deposit, tend to be much more marginal. To some extent, this inbuilt bias towards conversion is countered in the legislation, which requires savers to vote by a 75 per cent majority to convert against only 50 per cent for borrowers. All the same, Brian Davis, chief executive of Nationwide, is going to find it difficult to resist trade bids for Nationwide should the vote go against him even by a simple majority.

Since there appears so little protection under the law, rightly in some respects, the Government may have to find alternative ways of stepping into the fray if it wants to preserve what's left of the mutual tradition.

Any bid from an existing mortgage provider could possibly be referred to the Monopolies and Mergers Commission on market share criteria. The Government might also give consideration to re-

ferring on the more contentious grounds that any conversion might damage the public interest by removing an important competitive force from the market.

More biotech controversy

WHAT IS it about the biotechnology sector? Even when a business is well run, has got products on the market and has managed to avoid the shooting star trajectory that characterises much of the industry, it still seems incapable of avoiding some controversy.

Chiroscience does not have quite the same problems with disaffected former employees that British Biotech has. But the out of court settlement it reached yesterday with its one-time chief executive, Nowell Stebbing, is still a painful reminder that in the area of contract law, it pays to tread carefully.

To recap briefly, Dr Stebbing joined the company in 1993 and helped steer it to flotation. Shortly afterwards ill health forced him to step into a non-executive role and he subsequently left the company

in August, 1995. Somewhere along the line, his contract was amended and Dr Stebbing lost two-thirds of his share options. He sued for breach of contract and wrongful removal of share options, claiming £9m in damages. The company settled yesterday for £3.25m, including costs.

Dr Stebbing says that had the disputed share options not been removed, the company would have been £42,000 better off when he exercised them, not £3.25m down on the deal.

The company says it has avoided the dilution that would have occurred had the options been exercised and, anyway, £2m of the cost has been met by placing shares held in an Employee Share Ownership Plan for the benefit, among others, of Dr Stebbing.

The more interesting question for shareholders is why the £9m claim was never mentioned in two annual reports and two capital raising exercises. Meanwhile Dr John Padfield, the new chief exec, might take one of the firm's analogues to dull the pain of having wasted shareholders' money, and reflect that, as biotech horrors go, it could have been a lot, lot worse.

IN BRIEF

RAC opens legal battle on sell-off

THE ROYAL Automobile Club yesterday fired the first salvo in a legal battle against disident members who are opposed to the £450m sale of its breakdown services division to Candant, the American group.

A High Court case caused by the RAC to approve the sale, Robin Potts QC, acting for the club, said that disident members are simply customers who pay a subscription to use the service and should not receive the £34,000 windfall set to be awarded to full members.

Ascom contract

AUTOM the Anglo-French car electronics company based in London and Paris last month, has won a contract from Railtrack to supply signalling and control equipment for the UK West Coast main line, worth between £500m and £1bn.

This is the largest signalling contract in Europe this decade, a spokesman said yesterday. It will allow trains to travel at up to 250m an hour. Tarmac and Ascom have also jointly won a £10m contract to upgrade railway infrastructure around Bristol.

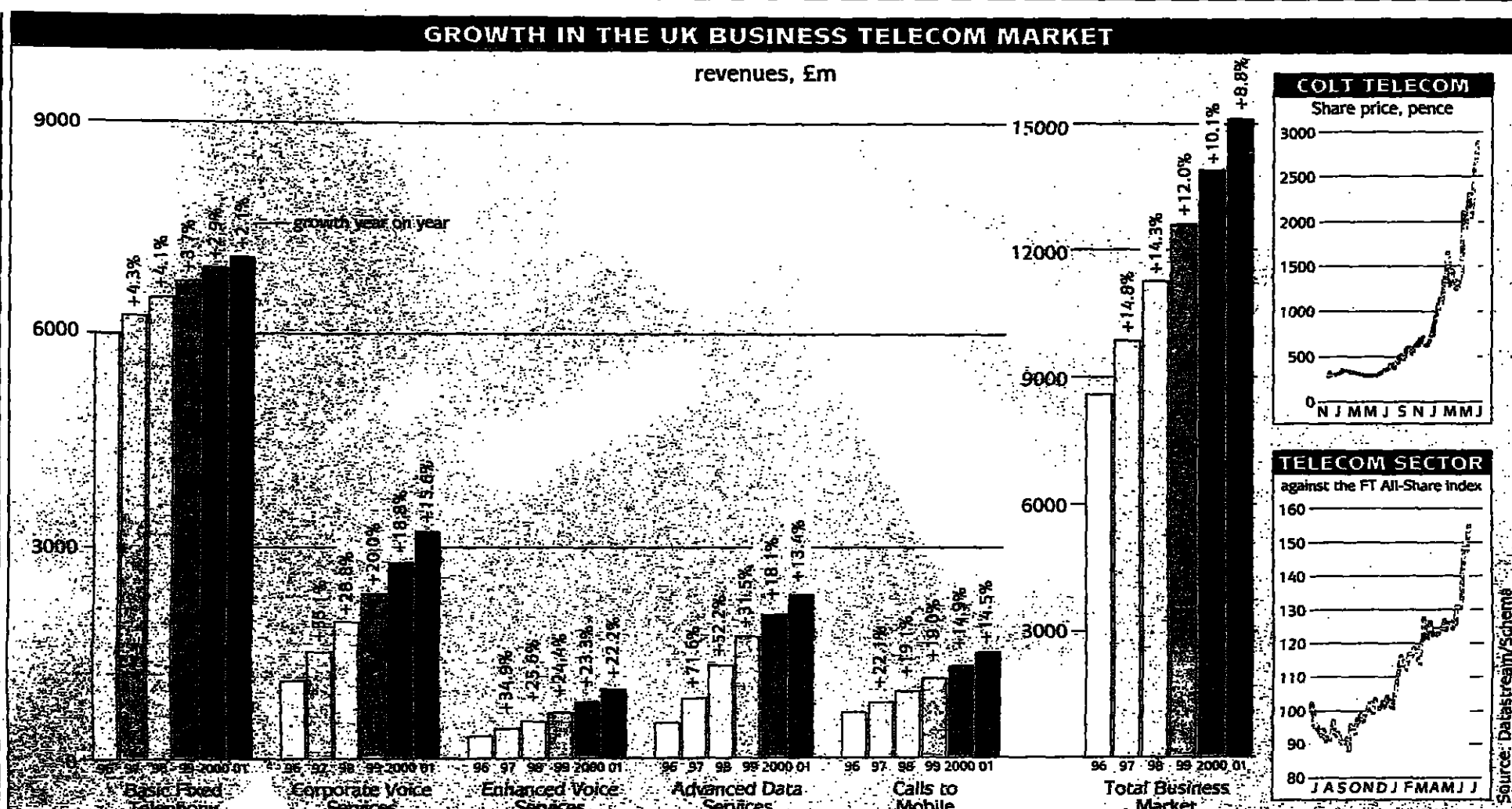
Railtrack sale

RAILTRACK IS to sell 99.9 per cent of its shares to five private equity firms around Liverpool Street station on the edge of the City of London to realise between £750m and £900m. The total 1.65 million square feet and could fetch between £450 and £550 a square foot, according to property consultants FPD Salls.

Profits on property sales are expected to trigger a 755 profit-sharing agreement between Railtrack and the Treasury this year. The shares were unchanged at 1465p yesterday.

AS fined

THE PERSONAL Investment Authority yesterday fined 41 small firms of independent financial advisers £157,000 or their slowness in reeling cases of pension mis-selling. The firms, many of them sole traders, were fined an average of £4,000 each for missing the December deadline for reeling 90 per cent of their mis-selling cases.



Telecoms mania grips City

BY PETER THAL LARSEN

News Analysis: Colt's network link-up with Racal was good for both groups' shares. But has the love affair with this sector gone too far?

THESE DAYS, there's never a dull moment in the telecoms sector. Yesterday Colt Telecom, the local access operator which is building fibre-optic networks in London and other financial centres around Europe, announced a deal giving the telecoms arm of Racal, the electronics group, access to its network.

Although the deal is good news for both companies, it is of fairly limited significance. Nevertheless, Colt shares jumped 6 per cent to 2885p, while Racal shares put on 29p to close at 400p.

The share price reaction mirrors the City's response to other tidbits of news from telecoms companies. Last week, shares in Vodafone and Orange, the mobile operators, rose sharply as they unveiled strong subscriber growth in the second quarter of the year, causing some analysts to predict that in just four years' time one in two people in the UK will own a mobile phone. At the moment, it's one in eight.

A number of bullish analysts think telecoms stocks

have further to go. But some more cautious observers are beginning to wonder whether the City is being seduced by an overly rosy picture of the future. Although telecoms use - both fixed and mobile - will undoubtedly grow rapidly in coming years, is it possible that every company will be a winner?

Investors' love affair with telecoms stocks has been going on for about a year. During that period, the sector has outperformed the rest of the stock market by more than 50 per cent. Large companies such as British Telecom and Cable & Wireless have put in decent performances. Other winners have been mobile operators such as Orange, whose shares have more than trebled in value, and Vodafone, which has more than doubled.

By far the biggest success story, however, has been Colt. Floated at a share price of 275p late in 1996, the company's shares have risen tenfold in the

following 18 months. So much so that the company is now valued at £3.5bn and is on the verge of securing a place in the FTSE 100 index of leading shares. Not bad for a company that made revenues of just £22m last year.

The main driver of share prices has been increasingly bullish projections of demand. In fixed telecoms, investors have woken up to the huge increases in traffic that increased use of the Internet and other forms of data communication will bring. On the mobile side, analysts are ever more optimistic about how quickly mobile phones will catch on, and how much people will use them. The prospect of bids - helped by mega-deals such as WorldCom's merger with MCI and AT&T's acquisition of TCI - have lifted share prices even further.

But the sceptics raise several questions. First, they point out that supply of telecoms capacity could keep pace with

or even outstrip demand, thereby driving down prices.

Robin Duke-Woolley, a senior consultant at telecoms specialists Schema, admits that demand will rise sharply. He predicts that the amount of Internet traffic generated in Europe will rise from 51 billion minutes last year to almost 300 billion minutes by the year 2003. Over the same period, demand for private data networks will grow from the equivalent of 5.8 million lines capable of transmitting 64 kilobytes of data per second to the equivalent of 49 million lines.

However, in many areas supply will keep pace - and may even outstrip - demand. Mr Duke-Woolley predicts that only companies that can keep their cost bases down while offering extra services will survive.

"The cake will undoubtedly get larger and that means there will be some big winners. But there will be some big losers too," he says, adding that at the moment it is almost impossible

to tell who will win or lose.

The same argument applies to continental Europe. Since the beginning of the year, many telecoms stocks have risen as investors assumed that companies would make swift inroads into markets in continental Europe. So far, they have not been disappointed. Since January, new operators have snatched as much as 5 per cent of the market from former state monopolies such as France Telecom and Deutsche Telekom.

Once again, however, competition is fierce, with companies from the US, the UK, and the rest of Europe all scrambling over new customers. Most have demanding targets. But sheer logic dictates that not all will succeed. And the risk is that intense price competition will undermine revenues for those companies who are successful.

In mobile telephony, a similar optimism prevails. Orange, the aggressive group which is the UK's fourth-largest operator, predicts that mobile pene-

tration in the UK market will rise from 14 per cent last year to 50 per cent by the year 2004. Others are even more bullish.

John Tysoe, a mobile phone specialist at SG Securities, the stockbroker, thinks that target could be reached by 2002.

That would mean, however, that there will be 30 million mobile phone subscribers in the UK. Given that all the country's fixed telecom lines currently add up to 31 million, mobile phones will have to displace fixed ones to make those numbers add up. And that is only likely to happen if prices come down sharply.

Chris Godsmark, telecoms analyst at Henderson Crosthwaite, reckons it's time mobile stocks took a breather. On current valuations, he calculates that the UK mobile phone sector - including Cellnet and One2One, which are part of British Telecom and Cable & Wireless respectively - is now worth £43bn. That's only a bit less than the whole of British Telecom.

"It may be time for the UK side of the mobile phone to take a reality check," he says.

Investor fears push SA rand to new lows

BY MARY BRAID in Johannesburg

SOUTH AFRICA'S beleaguered currency slumped to a new low yesterday as investors reacted badly to the appointment of ANC heavyweight Tito Mboweni as the first black governor of the Reserve Bank.

The rand, which has fallen 30 per cent against the US dollar since May, plummeted to 6.72 rand to the dollar and 11 rand to the pound soon after the markets opened for the first time after the announcement that Mr Mboweni, the labour minister, is to succeed Dr Chris Stals when he retires as central bank governor next year.

Initial fears that the currency would hit 7 rand to the dollar did not materialise when it rallied later in the day as foreign sellers bought back in.

It is thought the surprise announcement of Mr Mboweni's move to head the bank was made by President Nelson Mandela's government to end damaging speculation about Mr Stals's successor. With the rand in free fall, the timing was risky.

Critics suggested that the gains made by ending the speculation were wiped out by the choice of candidate. The bottom line, they said, is that an ambitious ANC politician with a left-wing reputation will soon be at the helm of the Reserve Bank.

James Cross, one of Mr Stals's deputies, would have been the financial establishment's choice. Although Mr Mboweni has an MA in development economics after study at East Anglia University, he has no direct banking experience. However, he has a year's apprenticeship under Mr Stals to come and says he is to study with London University economist Lawrence Harris.

But it is his policies which worry the sceptics. Financial experts insist that the bank's independence, though guaranteed in the constitution, will be in danger under Mr Mboweni.

However, Thabo Mbeki, President Mandela's likely successor, has said that a government which compromised the bank's independence would be "shooting itself in the foot".

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Recession talk will stop the real thing

YOU EVEN hear it in the street. A couple of people passed our house at the weekend and I caught this snatch of their conversation: "... of course, when the recession comes, all these places ..."

They were, I think, chatting about the numerous estate agents' boards, but what struck me was not their view about the fragility of London house prices, but rather the use of the word "when". The idea that another recession is natural and inevitable has become deeply embedded in our national psyche. It is not hard to see why: the long house price slump (much longer than the actual early 1990s recession), the daily tales of recession in East Asia and the string of newspaper stories about manufacturing gloom combine to remind us that bad times follow good.

In manufacturing there is indeed something of a mini-recession taking place. Yesterday's figures for May show manufacturing output flat year-on-year (but down on April) and industrial production up a fraction year-on-year (but down on April). Until these figures, you could just about believe that manufacturing had been recovering a bit since winter (see graph), but it is quite hard to believe that now. Unsurprisingly, business confidence is at its lowest level since 1992.



HAMISH MCRAE

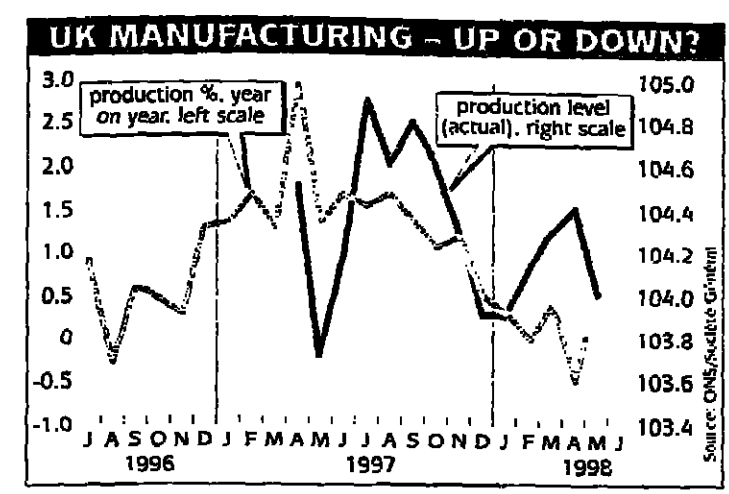
As long as people think a recession is coming, it won't come - or at least, it probably won't come

But the picture of gloom is not universal. Take two other items of news yesterday. Car registrations in June totalled 169,789, up 11.9 per cent on the previous year. According to the CBI, financial services activity grew in the second quarter at its fastest level for a year (though the outlook has deteriorated since then). Remember, too, that manufacturing is only about 20 per cent of GDP, not much larger than financial and other business services. Unless something quite astonishing has happened, the second-quarter GDP figures ought to show some growth, probably running at an annual rate of close to 2 per cent.

So it is perfectly possible to have a recession in manufacturing and not in the economy as a whole, just as it was possible to have a recession in housing and not in the rest of the economy.

Expect this paradox of the "non-recession recession" to continue. We will get confusing data because, during any period of slow growth and rapid structural change, some bits of the economy will be in clear decline. They have to decline to make room, so to speak, for the bits which are expanding. For the last six years we have had generally rapid growth, so even the laggard sectors of the economy were pulled up to some extent. Now, with slower growth, the laggards will slip back.

What should be done about this? The key thing is not to make matters worse by clumsy intervention. At a macro-economic level we have made matters worse by moving interest rates up too slowly. Now we have got them up to a level where they should be high enough to curb demand, but we are in danger of making the opposite mistake of pushing them higher still. There is an outside chance that the Bank



of England monetary committee will push for one more rise in rates this week, but only an outside chance. My own view, for what it is worth, is that the next move in UK interest rates will be down, not up, though no one should expect that until November at the earliest. Meanwhile, our greatest protection against a general recession in the whole economy (as opposed to a partial recession in bits of it) is the fear of recession. It is precisely because people talk about the coming recession in the street that we do not need to have one. So there is a second paradox: as long as people think a recession is

coming, it won't come - or at least, it probably won't come. Why? Because fear of recession inhibits the overblown, bubble behaviour which has to be killed by recession. Most people talk of recession as though it is universally bad, and of course it is deeply unpleasant, damaging and disruptive. But its effects are not all bad; indeed in many ways recessions are a necessary evil. It does not sound very scientific, but we all know that during periods of rapid growth all sorts of wasteful practices appear. Life is too easy, both for companies and for individuals. Companies make

money out of mediocre products and fail to pay attention to their costs. They borrow too much and are sloppy in their investment plans. Individuals also borrow too much and rely on windfalls to pay off debt. The wealth effect of rising asset prices enables both groups to live above their means.

Then comes the forest fire. Weaker companies are taken over, weaker managements pensioned off. Individuals who have bid up their incomes beyond the level their skills justify find themselves having to take a cut in income. Some people lose their jobs.

Now the big question surely is this: can one gain the benefits of recession without actually having to have one?

It is impossible to give an unequivocal "yes" to that, but there is enough evidence to muster a "maybe". Look at the United States. Why has it been able to continue its expansion without much sign of a revival of inflation? Because intense competition, both internally and from abroad, helps to hold down prices. Because the economy is so large and so fluid, and because there are such strong cultural forces in favour of competition, the US can get very close to full capacity without generating a surge in inflation.

Here in the UK we don't have quite the same general level of competitive pressure, so more of the excess demand seeps through into higher prices. Nevertheless the UK economy is proving able to push much closer to its capacity limits now than it did in 1988 without generating excessive inflation.

Furthermore, the UK has one powerful advantage over the US: its awareness of the possibility of recession. Travel in the States and you see boom everywhere and no sense that it could ever end. That is dangerous. Here people are much more circumspect. We do not have the downward force on inflation exerted by US-style competition, but we do have a downward force exerted by our memory of the last recession. Provided we retain that caution, it becomes possible to nudge the economy to the slower-than-trend growth that is needed to bring inflationary pressures to an acceptable level.

So will there be a recession? Yes, of course eventually there will be a recession. But I think that is still a couple of years off, when the US and continental Europe turn down and East Asia remains flat. Meanwhile, expect much more talk of recession here, but also expect the overall economic numbers to keep creeping up.

BTP buys Italian firm for £100m

BTP, THE Manchester-based fine chemical company, yesterday bought an Italian business in a further step towards transforming itself into an up-market producer of specialist ingredients and intermediate products for the pharmaceuticals industry.

BTP paid £75.9m in cash and £24.1m in BTP shares for Archimica, a privately-owned chemical company based outside Milan. The Italian vendors have agreed to retain the shares for at least 18 months. BTP also takes on a sum of debt worth £37.2m.

Archimica operates three companies producing chemicals for use in the pharmaceuticals industry. Many of its products are at the start of their market lives, BTP said yesterday. Archimica has net assets of £63m and made profits of £7m in 1997 on sales of £42m last year, during which it lost a major contract. With new contracts in place, it expects to grow sales by 50 per cent this year. BTP expects the acquisition to enhance earnings in the current year before allowing for goodwill.

BTP chief executive Steve Hannam said yesterday: "This acquisition, which is in line

BY CLIFFORD GERMAN



Hannam: BTP is now 'among world leaders'

with BTP's strategy, places us among the world leaders in fine chemicals and further defines BTP's future in high-value life science molecules."

BTP has already made one major disposal this year, realising £8m through the sale of its adhesives and textile coatings division, and one major acquisition, buying French business Hexachimie in May for £53.5m in cash.

Group gearing has, however, risen from zero at year-end to 171 per cent of shareholders'

funds, which makes a disposal to raise fresh cash desirable.

Analysts welcomed the fact that BTP confirmed yesterday that it had received unsolicited offers for its safety equipment division, which makes ladders, harnesses and belts, including some of the equipment used in building the Millennium Dome. "The division is less of a fit as we become increasingly focused," Mr Hannam said. The division is profitable, and a sale could raise up to £100m.

Last year BTP made profits of £53m on sales of £439m. Safety equipment accounted for 18 per cent of both operating profit and turnover. In the previous year the adhesive coatings division - now disposed of - accounted for 27 per cent of turnover and 11 per cent of group profits.

The deteriorating position in Asia and the continued strength of sterling have created a difficult trading backdrop, and the rescheduling of orders at BTP's US agro-chemicals business is expected to shift profits from the first to the second half of the year.

Despite this the shares gained 11p to 541p yesterday, and have more than doubled in the past year.

EMU and risk top banks' list of concerns

RISK management, the launch of European monetary union and the Year 2000 computer bug are three issues of greatest concern for banks and their regulators, a report finds.

The industry's new watchdog and the Asian financial crisis also feature in "Banking banana skins", an annual survey by the Centre for the Study of Financial Information (CSFI) which identifies issues of concern to the banking sector.

Top of the list is inadequate control of risk. Many respondents believe that banks are failing to control risks, either intentionally, because they want to cut corners in an attempt to boost profitability or unintentionally, because internal controls are not up to scratch. The survey found concern about a widespread ignorance of the dangers of complex financial instruments such as derivatives, as well as about the growth of proprietary trading.

The impact of the Millennium Bug and EMU on the global financial system also feature on respondents' "worry lists".

BY LEA PATERSON

Lord Tugendhat, the chairman of Abbey National, told the CSFI: "I am worried that mistakes in implementing the changes required for EMU and the Year 2000 could set off a chain reaction throughout the international financial system. I do not regard this as likely, but it cannot be assumed that all will go well."

Some in the industry were worried about the quality of bank management. One respondent, who asked not to be identified, said: "Me-tooism is still very much a feature of banking in most countries ... The quality of management at the likes of Deutsche Bank, Dresdner and the big French and Italian banks leaves a lot to be desired."

The new Financial Services Authority (FSA) was another source of worry. A UK bank chairman told the CSFI that he doubted the ability of the FSA, the Bank of England and the Treasury to work amicably and effectively together.

Billiton buys out coal stakes

THE South African mining group Billiton cheered investors yesterday by using part of its mounting cash pile to buy the remaining stakes it did not own in the world's largest thermal coal exporter, Ingwe Coal Corporation, writes Terry Macalister.

Billiton also bought outstanding shares in Ingwe's parent group, Trans-Natal Coal Corporation, as part of the £283m deal, which led to Billiton's shares being marked up 10.5p to 139p.

Investors have been nervous about how Billiton would use its £3bn cash mountain. "This is not a silly deal and the market as a whole is pretty pleased with it," said analysts at Paribas Capital Markets.

Both Ingwe and Trans-Natal will become wholly owned subsidiaries of Billiton and no longer be listed on the Johannesburg Stock Exchange. Ingwe has 11 operations in South Africa and two in Australia. Its thermal coal is used as fuel for power stations.



Matthew Clark wants to get away from cider's rural 'straw in the ears' image

Neville Elder

Matthew Clark to close plant

MATTHEW CLARK, the Dry Blackthorn and Diamond White cider group, delivered more bad news for the beleaguered cider market yesterday when it announced plans to close its Taunton production facility at the end of the year with the loss of more than 100 jobs.

The news accompanied a £5m fall in full-year profits to £35.8m and a dramatic cut in the dividend. The company blamed the performance on a fiercely competitive cider market where volumes have fallen by 5 per cent over the year as cider struggles against increased competition from other long drinks like lager. Matthew Clark's brands under-per-

formed the market and its volumes fell by 10 per cent.

However, Hugh Etheridge, Matthew Clark's finance director, vowed to win back cider drinkers with a combination of new products and an increase in marketing spending.

"We have to make cider more relevant and get away from the joke image," he said adding that the rural "straw in the ears" image of cider still persists. He said Matthew Clark would target the key 20-30 year age group, which has drifted away from cider, principally to heavily promoted lager brands.

The company is planning to invest more marketing support behind its key products. Blackthorn cider has been relaunched with a £5m advertising campaign. Diamond White has also been re-styled and backed by a £2m campaign. The board said its decision to close the Taunton plant, together with its new facilities at Shepton Mallet, would cost £16m but yield annual savings of £3m. There will be an exceptional charge of £8m to cover the costs.

While Matthew Clark admitted that its cider division had under-performed, it said cider only accounted for 23 per cent of group profits. Its wholesaling

business increased profits from £7m to £8.4m and margins rose by nearly half a percentage point.

In the wine market, its Stowells of Chelsea "wine in a box" brand now has 58 per cent of the box market. Its volumes grew by 13 per cent in a market up 5 per cent.

While there have been rumours of takeover action it is understood that Matthew Clark has neither made nor received any approaches.

Matthew Clark shares which touched 801p in 1996, closed 4p higher at 184p. Group turnover fell from £570m to £553m. The dividend was cut from 24p per share to 13p.

Tomkins to spend up to £750m on acquisitions

THE BUNS TO GUNS group Tomkins yesterday revealed plans to spend up to £750m on new acquisitions but insisted they would be in sectors where it was already present.

Attempting to shrug off his company's image as an under-performing conglomerate, chairman Greg Hutchings said he was now focusing on three main areas.

The future of professional, garden and leisure businesses, including the handgun manufacturer Smith & Wesson, remained "under review", but Tomkins would concentrate on construction, food, plus industrial and automotive parts.

Unveiling a 16 per cent in-

crease in pre-tax profits to a record £500.4m, Mr Hutchings said he was prepared to spend as much as last year's £741.2m on add-on buys.

"If we don't find acquisitions we'll do more share buy-backs. If we do some more add-ons, we won't do share buy-backs," said Mr Hutchings, who spent £38m on buy-backs last year.

But the purchase trail is the favoured one for the company, which produces everything from Hovis bread to wind-screen wipers. Last year it bought five major businesses but it also sold 15 smaller ones.

Mr Hutchings agreed the

recession was already engulfing the British manufacturing sector. But he said a downturn offered opportunities for Tomkins because it would reduce the price of assets it wanted to buy.

Tomkins was much less exposed than those in the engineering sector because of its food business, which would continue to perform strongly whatever the economic environment.

But the company's shares moved only 3p upwards to 345p as analysts continued to mark down the overall value of the company on the grounds of its diversified nature and its low gearing.

Investment column, page 19

Pace plea for aid in royalties row after £12m loss

BY CLIFFORD GERMAN

PACE MICRO technology, which this month starts making set-top boxes for BSkyB's digital TV service, yesterday blamed a 38 per cent drop in analogue receiver sales and £12.3m of exceptional charges for a £12.1m loss for the year to the end of May.

The exceptional items include a provision of £10m in the first half year for its legal dispute with three companies claiming royalties for the use of their technology, and a further £2.3m in the second half to cover restructuring and redundancy costs, including closing overseas operations.

The group has written to firms that supplied it with equipment, asking them to help defend the legal action over royalties, the chief executive Malcolm Miller said yesterday. Excluding exceptional items the group broke even in the first half, and made a £200,000 profit in the second, against £18.4m profit in the previous year.

Digital equipment sales rose 41 per cent but not enough to make up the drop in demand for analogue receivers. Total turnover fell 16 per cent to £184m, and sales to continental Europe fell 60 per cent to just over £20m, although Latin America sales more than doubled to £64m.

Pace is one of four companies contracted to make set-top boxes for BSkyB, and expects to supply several thousands as BSkyB starts marketing the service in earnest in the autumn - as well as producing decoders for the rival British Digital Broadcasting Service.

The chief executive played down recent rumours of possible bids, saying there had been no formal approach and no current discussions.

The figures fell short of City forecasts. The dividend has been slashed from 2.7p to 0.4p and the shares, which have ranged from 25p to 91p this year, fell 8p to 68p.

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Wary investors turned on by telecoms

TELECOMS provided the stock market buzz, helping Footsie to swing from a 57.3-point fall to a 1.9-point gain to 5,990.3 at the close.

The economic environment offers little incentive for investment action and there is a tendency for players to sit on the sidelines.

But throughout the session telecoms, mostly the second-liners, were on another roll, and it was only when New York made a firm opening that the rest of the market joined the advance.

BT was the telecoms giant which led the way, surging 19.5p to 791p, a peak, on continuing talk of corporate action and suggestions that it intends to return £3bn to shareholders after it cashes in its stake in MCI, the US group where it was out bid.

ScottishPower advanced 13p to 554p, rising on its telecoms rather than electricity operations. Panmure Gordon put out a buy signal with analyst, Philip Hollobone describing the generator's telecoms side as a "version of Ennergis, plus a lot more". He set a 650p target.

National Grid floated a minority stake in Ennergis in December; the

MARKET REPORT



DEREK PAIN

shares have risen from 254p to 1,122.5p.

The deal between Racal Electronics, planning to float its telecoms arm, and Colt Telecom helped the latest round of excitement, underlining the continuing consolidation in the industry.

Racal has signed an agreement with Colt which provides more connections in London. The shares jumped 29p to 400p, while Colt strengthened its claims for a Footsie place with a 160p gain to 2,885p.

General Cable, which has agreed a takeover by rival Telewest

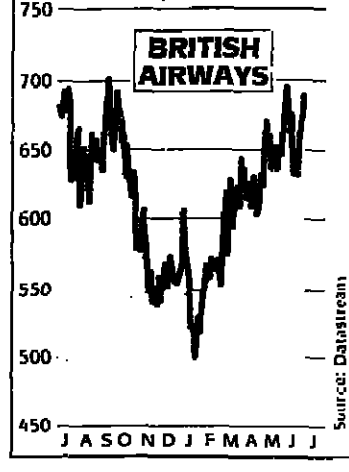
Communications, jumped 16p to 281.5p, reflecting the strength of TC, up 13.5p to 178p. With changes like on the TC share register following the bid for one of its major shareholders, there are suspicions there could be late developments in the takeover.

JWE Telecom jumped 57p to 244.5p and European Telecom improved 36.5p to 392.5p. ET's progress was achieved despite the sale of 1.4 million shares at 351p by chairman Warren Hardy. He still has 45.8 per cent. JWE arrived on the market two months ago - the shares have moved from 155p.

Cable & Wireless Communications was one to ease back, falling 2p to 621.5p. An investment dinner, hosted by Henderson Crosthwaite, took place at London's Savoy Hotel last night. CWC has paid £13m for 50.1 per cent of Two-Way Television. Ladbroke, up 5.5p to 322.5p, remains a shareholder in the interactive TV business.

British Airways flew up 19p to 689p ahead of the EU decision on its alliance with American Airlines. Although the EU's terms may not be acceptable to BA, there is a feel-

SHARE SPOTLIGHT



share price, pence

Source: Datastream

ing the deal should still go ahead. Shell hardened 3.5p to 429p on the rumoured garage link with Texaco. Glaxo Wellcome firmed 3p to 1,845p despite Merrill Lynch caution, and Asda edged up to 206.75p although CSFB suggested a sell down to 180p.

Billiton, the South African mining group, maintained its recent rollercoaster display, leading the

blue-chip leader board with a 9.5p gain to 139p. Taking advantage of the weak SA rand, Billiton is buying the outstanding shares in two coal mines. The move had been expected with a slump in the price of coal. Dresner Kleinwort Benson is thought still to have shares on its book.

Rexam, the packaging and paper group, rose 6.5p to 270.5p; a planned £50m share buyback outweighed a cautious trading statement. Some wonder whether the buyback reflects fear that a predator may strike. Rexam earlier seemed reluctant to return cash to shareholders.

Kenwood Appliances, the kitchen equipment group, was whisked 11p higher to 130p. Suspended bidder Pico, perhaps significantly, gave ground.

Electrical group Beales Hunter gained 27p to 108.5p as Stadium captured 53.3 per cent acceptance.

The market spent most of the session weighed down by poor manufacturing figures, supporting fears of an economic slowdown, and sneaking suspicions that interest rates could again be lifted. Asia's woes were another factor. Footsie's

modest gain extended the winning streak to four sessions; the mid cap index also rose for the fourth consecutive session. But the small cap was off, down 5.9p to 2,598.6.

Ascot, the industrial group, held at 288p with Albert E Sharp saying sell.

Acorn fell 6p to 128.5p. The shares could be feeling the draught of a 14.31 per cent overhang. The computer group is reported to be meeting its financial advisers, including ABN Amro, to discuss the realisation of its shareholding in high flying Arm, a computer chip maker. Acorn is worth £120m and its Arm stake around £150m. Psion, the high-flying handheld computer group, fell 81p to 624p as the Shell pension fund trimmed its holding.

Hillsdown, where Unigate was ready to bid 217p, firmed 5p to 173.5p. It plans a three-way merger but there are worries about another strike. StrykePharma bounced 6.5p to 73p; it is making US presentations ahead of its ADR listing.

SEAQ VOLUME: 688.3m

SEAQ TRADES: 59,679

GILTS: n/a

CLIVE BRADLY, a former director of Card Clear, the anti credit fraud group, wants to clear up the mystery of the sudden departure of two key executives and has, with other shareholders, called a special shareholders meeting.

Ben Raven, chief executive, and Oliver Cooke, finance director, quit last month. They were largely responsible for developing the company. Card Clear shares rose 3.5p to 64.5p; they have been as high as 87.5p. Mr Bradley says the departure of Messrs Raven and Cooke "devalued" the company.

WIGGINS, the property group, held at 15p ahead of its ADR listing which will be heralded by US investment presentations. The group is also on the expansion trail and is raising finance by issuing convertible unsecured loan stock. Just how big a war chest it intends to create is not known.

Tomkins needs to spend some money

IT WAS 15 years ago yesterday that Greg Hutchings bought a load of 6p shares in an obscure buckle-maker with a market capitalisation of £7m. Since then the shares of that company, Tomkins, have outperformed the market and it has become a "buns to guns" giant worth over £4bn. But the Tomkins price over the last five years has trailed below the FT All Share index and the company has been trying to shake off an unfashionable "conglomerates" label.

Yesterday the share price rose only 3p to 345p despite pre-tax profits of £500.4m, up nearly 16 per cent. There was also a 15 per cent hike in the dividend to 13.17p delivered with a message that the business is "set to outperform again".

The problem for investors is that Tomkins is sitting on a massive cash pile. It spent £88m buying back 27 million ordinary shares last year and will seek permission for further buybacks in 1998 if it cannot find juicy acquisitions. Mr Hutchings, Tomkins' chairman, feels an economic downturn will be good news for his business because it will reduce the price of the assets it might want to buy. The company is willing to acquire as much as it did in 1997 but wants synergy.

Last year the Hovis bread to Gates auto parts group spent £741m on five major add-on deals. But it also sold off 15 businesses and is anxious to shout about a new-found focus. The company is to concentrate on three main areas: construction components, food manufacturing plus industrial and automotive parts.

Mr Hutchings is keen to point out that Tomkins is more insulated than other engineers from a recession because of its thriving food business. The weakness in this argument is that if investors want defensive stocks they can go out and buy a pure food company.

Analysts believe Tomkins will produce pre-tax profits of around £539m next time giving it a forward multiple of 14 times. That is low but in line with the sector and reasonable. Hold.

Diageo runs into a few snags

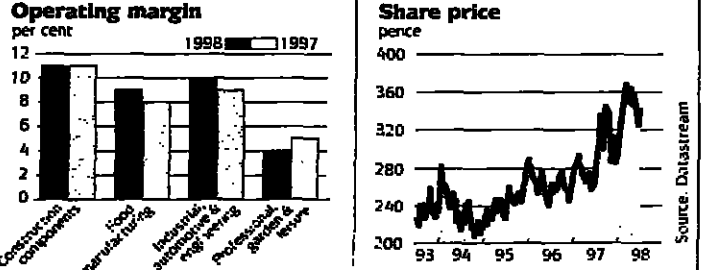
AFTER THEIR spring surge, shares in Diageo, the spirits giant, have been suffering from a bit of a hangover. Stock in the newly formed Guinness and Grand Metropolitan combine fell a further 14p to 712p

INVESTMENT

EDITED BY NIGEL COPE

TOMKINS: AT A GLANCE

	1994	1995	1996	1997	1998
Turnover (£bn)	3.25	3.73	3.60	4.56	5.05
Pre-tax profits (£m)	257	303	323	432	500
Earnings per share (p)	15.6	17.9	18.9	21.5	24.5
Dividends per share (p)	7.4	8.7	9.9	11.5	13.2



yesterday as the market digested the company's trading update.

While Diageo said trading was in line with expectations and the integration of head offices and operations was running to schedule, there were some disappointments. One was a change to tax payments caused by US tax settlements that will affect cash flow by around £300m this year and next. Another was the continued exchange rate hit, which will dent profits by £55m in the six months to June and a further £65m in the year to June 1999.

But in spite of the dip in Diageo shares yesterday many commentators appear supportive. New disposal opportunities continue to appear and yesterday saw the for-sale sign hoisted over some of the Pillsbury second-tier brands including Underwood and Pet evaporated milk.

Analysts foresee a steady stream of other disposals including more of Pillsbury's lesser businesses and underperforming spirits brands like Metaxa and some rum brands.

In drinks, Guinness continues to perform well with volumes up and a strong performance in North America. But the Far East is clearly a problem. Markets in Indonesia and Singapore are particularly weak while volumes in Malaysia are in line with the previous year. Prices in local markets are being adjusted accordingly.

On Nikko's current year forecast of £1.96bn, the shares trade on a forward multiple of 20. That looks about right for a well-managed company trading in difficult markets.

IN BRIEF

Beales Hunter bid succeeds

STADIUM, which makes plastic mouldings and electronic assemblies, claimed acceptance from over 53 per cent of shareholders for its cash offer of 110p a share for Beales Hunter the industrial refrigeration group. The offer values Beales Hunter at £11.7m.

Interactive CWC

CABLE & WIRELESS Communications has announced the purchase of a £13m majority stake in an interactive TV company backed by Ladbroke Group. The 50.1 per cent stake in Two Way TV will allow CWC to offer customers interactive games with the launch of its 200 channel digital television service.

Tool hire deal

HEWDEEN-STUART has acquired the entire issued share capital of Salmon and Pocock, which trades as Handihire, for £963,000 cash. In the year to 30 September 1997 Salmon and Pocock had adjusted net assets of £210,000. Hewden-Stuart said the tool hire business has branches in Plymouth, Paignton and Torquay.

Vinto move

JN NICHOLS (Vinto) said it is to spend £12.5m combining its Vinto soft drinks operations at a new site near Wigan. The move will lead to the closure of plants at Wythenshawe, Southampton and Haydock. The new site will consist of new production, warehousing and office facilities and is scheduled for completion in spring 1999.

Royal & Sun sale

ROYAL & SUN Alliance has agreed to sell Professional Services, the property survey and valuation business of its estate agents Royal & Sun Alliance Property Services, to Countrywide Surveyors, part of Hambro Countrywide, for £6m.

The business to be transferred has an annual turnover of £12m. Royal & Sun said 350 staff employed by Professional Services would transfer to Countrywide Surveyors on completion.

Lighting unit sold

BRITAX INTERNATIONAL is to sell its 50 per cent interest in its original equipment lighting business Britax Vega Ltd (BVL). To its joint-venture partner, Koito Manufacturing of Japan.

Mills leaves Action to be his own boss

PEOPLE AND BUSINESS

BY JOHN WILLCOCK

DAVID MILLS has resigned as chief executive and director of Action Computer Supplies Holdings, just nine months after joining the catalogue components distributor from ICL. Mr Mills will trouser a six-month payoff worth about £115,000 for his troubles. He's leaving Action, based in Wembley, London, to launch his own start-up.

Action has appointed George Laplante as group managing director to plug the gap. Mr Laplante is already Action's development and IT director, and has previously acted as finance director. Day-to-day management will stay with Duncan Wilkes, Action's chief operating officer.

Henry Lewis, Action's chairman, said of Mr Mills's departure: "It's a question of square pegs in round holes. David's obviously got a taste of the entrepreneurial life, and good luck to him."

WATCH OUT: here comes Donaldson, Lukin & Jenrette. The Wall Street investment bank has trumpeted its intentions to expand in London and take on the other "bulge bracket" behemoths on equal terms. To that end, yesterday it announced a clutch of high-profile hires on the equity research side.

The DLJ recruits include Charles Donaldson and Matthew Weston from Deutsche Morgan Grenfell, to cover the European Transport sector; Ian Shackleton, formerly head of research at HSBC, to cover the European drinks market; and Sonia Falaschi, the well-known media analyst at UBS, to cover the same sector for DLJ.

The bank is also drafting in some of its existing troops from New York to London; John Hervey will head up global oils. Cary Warden will cover global power. Jim Collins will do vehicle parts and Jennifer Moran will cover emerging markets strategy.

All of which will gladden the heart of Hector Sants, the former UBS bigwig, who is due to join DLJ



as its London head of international equities in September, following a lengthy spot of gardening leave.

JONATHAN FRY, joint managing director of Premier Asset Management, the AIM-quoted fund manager based in Guildford, Surrey, has a fishy tale to tell; his uncle Ed Fry has just sold his fish'n'chips shop to a chap called Mr Haddock.

Fry Senior has owned the chippy, called "Mr Fry", "for years", according to Fry Junior. The chippy, which I've a horrible feeling I patronised myself in the mid-1980s, is in Romsey, Hampshire, the picturesque market town and former home of Lord Mountbatten.

Young Mr Fry tells me that Ed Fry decided to sell up in order to spend more time at his home in Cricklade, Wiltshire.

Meanwhile Fry Junior's company, Premier, grows apace. Launched in 1983, it now has 1,400 shareholders and around £300m in funds under management. Appropriately enough, considering the fishy theme, Premier bought its unit trust operation from Brewin Dolphin.

LORD HOLLOCK, the Labour peer and boss of Express newspapers, has picked Graham Hill to be chief executive of the Money & Securities

Broking Division of United News & Media. Mr Hill has been chief executive of NOP, the market research division of United, for six years. He will be succeeded at NOP by Jim Rose, now chief executive of Blackwell's Information Services, a journals distributor based in Oxford.

Although United is thought of mainly as the owner of the Daily Express, its financial services arm made a £47m profit last year. Mr Hill has been associated with the broking businesses for a number of years. His new job will combine running the business information and broking side of United.

Charles Gregson, executive director of United and chairman of the broking companies, said Mr Hill would be replacing Gerry Wilton, who is giving up his executive role after 26 years.

Mr Gregson said: "I have worked with Gerry for the last 16 years and seen at first hand the great contribution he has made to the development of the London businesses."

SPRING RAM, the building materials company, said yesterday that its finance director, Martin Towers, has resigned "in order to pursue his career development elsewhere".

Andrew Wilson, formerly finance director of Magnet, the kitchens retailer, will join the board as group finance director on 3 August.

UBS has bought a 29 per cent stake in the Basic Group, a sportswear manufacturer which makes the Kappa range of clothes, considered extremely fashionable with night-clubbers in the early 1980s, I am told.

The Swiss gnomes have invested 45 billion lire (£18m) in Basic, which plans to float on the Italian Stock Exchange within the next two years.

Other Basic shareholders include Marco Bogliione, the chairman and chief executive officer of Basic with 34 per cent, and Alessandro Benetton of the Benetton empire with 34 per cent.

FOREIGN EXCHANGE RATES

Country	Sterling	1 month	3 month	Dollar	Spot	1 month	3 month	D-Mark	Spot	1 month	3 month
UK	1.0000			1.6280				0.6092			
Australia	0.6771	2.6728	2.6644	1.6280	1.6280	1.6280	1.6280	0.6092	0.6092	0.6092	0.6092
Austria	13.7613	20.943	20.943	12.761	12.761	12.761	12.761	0.6092	0.6092	0.6092	0.6092
Belgium	61.509	61.286	60.878	37.405	37.335	37.214	20.650	0.6092	0.6092	0.6092	0.6092
Canada	2.4216	2.4184	2.4049	1.4727	1.4721	1.4701	0.8130	0.6092	0.6092	0.6092	0.6092
Denmark	7.4635	11.330	11.264	6.9115	6.9025	6.8853	3.8156	0.6092	0.6092	0.6092	0.6092
ECU	1.5081	1.5034	1.4946	1.0903	1.0918	1.0945	0.8423	0.6092	0.6092	0.6092	0.6092
Finland	9.0648	9.0316	8.9734	5.0680	5.0680	5.0680	3.2850	0.6092	0.6092	0.6092	0.6092
France	9.985	9.947	9.880	6.0719	6.0600	6.0451	3.2850	0.6092	0.6092	0.6092	0.6092
Germany	2.9787	2.9675	2.9474	1.8114	1.8079	1.8017	1.0000	0.6092	0.6092	0.6092	0.6092
Greece	488.97	501.07	506.88	309.40	305.25	302.50	157.50	0.6092	0.6092	0.6092	0.6092
Hong Kong	12.739	12.739	12.739	7.7470	7.7470	7.7470	0.7666	0.6092	0.6092	0.6092	0.6092
Ireland	1.1819	1.1829	1.1799	1.3886	1.3886	1.3886	0.7666	0.6092	0.6092	0.6092	0.6092
Italy	239.00	239.00	239.00	178.3	178.3	178.3	986.70	0.6092	0.6092	0.6092	0.6092
Japan	230.82	232.1	231.02	140.93	139.71	138.53	77.493	0.6092	0.6092	0.6092	0.6092
Malaysia	6.959	6.9668	6.9668	4.2443	4.2443	4.2443	0.3428	0.6092	0.6092	0.6092	0.6092
Mexico	14.295			8.0730	2.0401	2.0328	1.1284	0.6092	0.6092	0.6092	0.6092
Netherlands	3.3612	3.3487	3.3255	1.7112	1.7112	1.7112	0.2845	0.6092	0.6092	0.6092	0.6092
New Zealand	3.1927	12.655	12.604	7.7130	7.7095	7.7045	0.2845	0.6092	0.6092	0.6092	0.6092
Norway	12.683	30.47	30.47	16.04	15.48	15.48	102.46	0.6092	0.6092	0.6092	0.6092
Portugal	305.19	304.47	302.54	178.3	178.3	178.3	0.7666	0.6092	0.6092	0.6092	0.6092
Saudi Arabia	6.1678	6.1615	6.1474	3.7508	3.7537	3.7578	2.0707	0.6092	0.6092	0.6092	0.6092
Singapore	10.8189	10.8123	10.8037	6.4553	6.4565	6.4565	0.7203	0.6092	0.6092	0.6092	0.6092
South Africa	10.6150	10.623	10.622	153.96	153.79	153.45	84.993	0.6092	0.6092	0.6092	0.6092
Spain	253.17	252.44	251.02	160.20	160.712	160.528	4.1617	0.6092	0.6092	0.6092	0.6092
Sweden	13.290	13.290	13.174	8.0820	8.0712	8.0528	0.9425	0.6092	0.6092	0.6092	0.6092
Switzerland	2.5094	2.4968	2.4740	1.0000	1.5211	1.5123	0.5521	0.6092	0.6092	0.6092	0.6092
US	1.6444							0.6092	0.6092	0.6092	0.6092

OTHER SPOT RATES

Country	Sterling	Dollar	Country	Sterling	Dollar
Argentina	1.6444	1.0000	Oman	0.6330	0.8250
Brazil	1.9043	1.1581	Pakistan	76.300	46.400
China	13.615	8.2798	Philippines	47.749	41.200
Czech Rep	53.311	32.420	Poland	5.7205	3.4790
Egypt	5.6100	232.00	Russia	5.9892	3.5995
Ghana	381.0	219.40	South Korea	221.7	134.00
Hong Kong	380.78	42.460	Taiwan	61.252	31.325
India	69.821	1470.0	Thailand	87.832	267.600
Indonesia	2417.2	0.3069	Turkey	440.041	61.252
Israel	0.5046	85.500	UAE	6.0391	3.6725
Japan	140.60				

INTEREST RATES

UK	Germany	US	Japan			
Base	7.50%	Discount	2.50%	Prime	8.50%	
France	Discount	4.50%	Belgium	Discount	5.00%	
Intervention	3.30%	Prime	6.50%	Spain	Discount	2.75%
Italy	Discount	5.00	10-02 Rep	4.25%		
Netherlands	3.00%	Discount	3.75%	Repo(Ave)	4.10%	
Spk/dance	5.00%	Discount				

BOND YIELDS							
Country	3 mth	chg	1 yr	chg	2 yr	chg	5 yr
Australia	4.94	4.94	5.03	-0.04	5.17	+0.05	5.33
Belgium	3.62	0.00	3.86	-0.01	4.04	+0.05	4.34
Canada	4.77	-0.01	5.14	-0.01	5.13	-0.01	5.22
ECU	4.4	-0.03	4.91	-0.02	5.08	-0.03	5.41
France	0.00	0.00	0.55	-0.01	4.00	-0.03	4.47
Germany	3.56	0.00	3.86	-0.01	3.92	-0.03	4.27
Italy	4.68	0.14	4.41	-0.02	4.36	-0.02	4.63
Japan	0.40	-0.01	0.85	-0.01	1.08	-0.01	1.38
Netherlands	3.56	0.00	3.85	-0.01	3.99	-0.02	4.32
Spain	4.22	0.01	4.05	-0.02	4.14	-0.02	4.51
Sweden	4.15	0.00	4.10	0.00	4.26	0.00	4.55
Swand	2.13	0.01	2.27	0.06	2.68	0.03	3.25
UK	7.25	0.00	7.00	0.00	6.87	0.03	6.29
US	4.92	0.12	5.05	0.00	5.41	-0.02	5.60

MONEY MARKET RATES		
Country	3 mth	chg
Australia	4.94	4.94
Belgium	3.62	0.00
Canada	4.77	-0.01
ECU	4.4	-0.03
France	0.00	0.00
Germany	3.56	0.00
Italy	4.68	0.14
Japan	0.40	-0.01
Netherlands	3.56	0.00
Spain	4.22	0.01
Sweden	4.15	0.00
Swand	2.13	0.01
UK	7.25	0.00
US	4.92	0.12

SPORT

British Grand Prix: McLaren's flying Finn has the machinery and the maturity to extend championship advantage

Hakkinen finds the right formula

BY DERICK ALLSOP

THEY SAID he was dim, too full of himself, had no sense of humour and lacked the authority of a world champion. He may be only half-way to accomplishing that ultimate objective, but already he has confounded his detractors on the other counts.

Mika Hakkinen has emerged from the whispers and sniggers to be acknowledged as a credible and increasingly respected Formula One title contender. Victory for the Finn in the British Grand Prix on Sunday would almost certainly eliminate from the contest one of his two rivals - his McLaren-Mercedes team-mate, David Coulthard.

That would leave him with the small matter of contending with Ferrari's Michael Schumacher, but the eclipse of Coulthard - bright, personable, perfectly formed championship material - would represent perhaps a defining psychological landmark in Hakkinen's career.

He is conscious of his dour and clumsy public image. "When you see me answering questions I look serious because I am concentrating and thinking what I am saying, in a foreign language," he said. "In private life I am relaxed. That is different and I can be different."

He is aware, too, that many inside Formula One considered him too cocky by half during his early days at McLaren. A life-threatening accident at the end of the 1995 season gave him a new perspective on himself and the world he still belonged to.

"There is a danger of being big-headed in my situation," he said. "You just have to listen to the people you work with and keep your feet on the ground very heavily."

At McLaren, Hakkinen has found comfort, advice and maturity, as well as Formula One's best car. It may surprise some to hear he has also discovered fertile ground for fun at a famously orderly, impeccably turned out and businesslike team.

Now, at the age of 29, Hakkinen is equipped to cope with the verbal and mental jousting that accompanies grand prix racing.

In response to Eddie Irvine's pronouncement that McLaren have blown their championship hopes and will be destroyed by his team-mate, Schumacher, at Silverstone, Hakkinen permits a dismissive smile to ripple across his face.

"Eddie's comments are always funny," he said. "It makes him happy but he's fourth in the championship and should keep his mouth shut. You don't worry about words. They give you a good laugh, but what people say can't hurt you."

Then, with another mischievous grin, he added: "It worked on Damon (Hill) a couple of times."

Hakkinen and the McLaren camp are well prepared for any mind games Schumacher and his cohorts care to play and do not intend to be undermined the way Hill was in the 1994 and 1995 seasons.

"I have been around in racing for



McLaren's Mika Hakkinen: 'It does not feel strange. All the time I have been racing, I have been preparing for this - to be in a leading position. It's what I have been waiting for'

Allsport

many years and have a huge experience," Hakkinen said. "I don't think I will crack and I'll be surprised if Ferrari get the better of us. The pressure is always going to be there and Michael is like this. But when I am on the racetrack I really don't feel Schumacher's psychologically or [else] all these games will affect me because that shows a weakness."

Nerve and self-control will be crucial to Hakkinen's cause as he embarks on the second half of the season, leading Schumacher by six points and Coulthard by 20. "On a racetrack you can lose your temper in certain situations, but it happens rarely to me. I try to stay calm. Racing is about controlling your emotions. If you get excited and negative you start making mistakes."

For a man who won his first

grand prix as recently as the final race of last season, Hakkinen is remarkably at ease with the prospect of winning the championship.

"It's great to feel like this and be like this, but to be honest I have been expecting it since I came into Formula One, in 1991," he said.

"It has taken a long time and it does not feel strange. All the time I have been racing I have been preparing for this, to be in a leading position. It is what I have been waiting for."

Let anyone should suspect a hint of arrogance here, he emphasises he takes nothing for granted and expects nothing less than a fight to the finish on two fronts.

"It is down to three of us," he said, thereby discounting any possible challenge from Irvine. "It is going to be difficult. I just wish I had more points in the lead, but I can't expect

anything. I have to work for my target of the world championship and I'm going to work even harder."

"Of course David has still got a chance. He is a very quick driver, but he has to beat me first. He has had some bad luck, but will come back strong."

"I rate Michael and David the same," he said, diplomatically. "I'm not fighting against my team-mate in an aggressive way. I try to make him an ally, a friend, rather than a driver who is competing with me."

There is a lingering suspicion that McLaren favour Hakkinen for the driver's title and that Coulthard may eventually have to play a supporting role to ensure his team-mate fends off the threat of Schumacher.

"It's not necessary to make David do that," Hakkinen insisted. "He

deserves the chance to stay in contention. If he's saving my bum it's not right."

"If we get the McLaren working to the maximum it will be enough, but I wish it would be that simple. We had the early domination, but experience tells you people will catch up. It's logical."

"All we can do is concentrate on our work, that is the main thing. There's no point in worrying about what the others are doing."

"We are working to keep improving and I know we are going to get faster, but nothing is done in one night. You have to wait. At the moment we are leading and we have been very strong in testing at Silverstone."

"There are still many races to go and I am extremely confident my team and our partners will give their maximum."

HAKKINEN'S RACE TO BE CHAMPION

AUSTRALIAN GP	10pt	SPANISH GP	10pt
1st	Started from pole, led until lengthy pit stop. McLaren team-mate Coulthard honoured pre-race agreement and let Hakkinen pass to claim victory.	1st	As in Brazil, Hakkinen controlled race from the start. His only problem was the occasional back marker.
BRAZILIAN GP	10pt	MONACO GP	10pt
1st	Started from pole and led from start to finish. Hakkinen hardly challenged throughout race.	1st	Hakkinen negotiated the streets of Monaco to record his fourth win of the season, despite making contact with one of the crash barriers.
ARGENTINIAN GP	6pt	CANADIAN GP	0pt
2nd	Started from second on the grid, but soon found himself behind Coulthard and Schumacher. However, he could not catch the German in the latter stages of the race.	Did not finish	Struck by gearbox failure again. Despite starting on the front row, he could not even complete the first lap.
SAN MARINO GP	0pt	FRENCH GP	4pt
Did not finish	Forced to retire on the 17th lap because of gear failure when in second place behind Coulthard.	3rd	Pushed hard after poor start, but unable to close on Schumacher as Irvine played tail-gunner for his team-mate to ensure a Ferrari one-two.

Pioneers who cycled into Irish sporting legend

THOUSANDS OF Irish are braced for the invasion of the Tour de France this week, but 42 years ago an Irishman faced the world's greatest race alone.

Shay Elliott did not learn to ride a bike until he was 14. Eight years later he was lining up in Rheims for his first Tour in a career that was littered with misfortune, the occasional double-cross, and rare high spots, notably three glorious days as leader of the 1963 Tour.

The Dubliner had the talent but not the luck, particularly on the big occasions. Knee trouble put him out of his first Tour as his team leader, Jacques Anquetil, went on to the second of five Tour successes.

Then Elliott was leading the Paris to Roubaix classic when his saddle broke as he entered the velodrome to finish: his front forks snapped in the Paris-Brussels classic when he was again alone in the lead.

He finished, dejected, on a bike borrowed from a curate. The jinx that had haunted his amateur career would not go away.

Elliott and his team-mate Jean Stablinski were among the leaders in the 1962 world road race championship, and when Stablinski attacked to win the gold, Elliott held back.

"I could not chase my friend," he said, finishing with a silver medal. Stablinski repaid the debt when, in the 1963 Tour, he and Elliott were again in a breakaway.

Robin Nicholl recalls the local heroes who will be fondly remembered when the Tour de France starts in Dublin on Saturday

Stablinski led their co-leaders to one side of the course, and winked at Elliott, who was alone on the far side. That was the signal for the Dubliner to attack to win at Roubaix. It gave Elliott his greatest moment as he pulled on the yellow jersey but Stablinski strained their relationship two years later.

Elliott was leading the Paris-Luxembourg on the final day when Stablinski, godfather to Elliott's son Pascal, upstaged him. The Frenchman worked with a breakaway group to wipe out Elliott's lead, and won the race. The Irishman finished in tears.

In 1959 he nursed an ailing Brian Robinson for seven hours of a Tour stage, but they finished outside the time limit. The Yorkshireman was reinstated because of a now-defunct rule that anyone in the first 10 overall could not be eliminated.

Not content with one Irishman, Anquetil's team also drafted in Ian Moore, but his 1961 Tour debut lasted only three days, and his professional career three years before he returned to live in England.

Ireland had to wait 20 more years for their next yellow jersey.

Then Sean Kelly shared the podium in 1983 with a baby-faced Stephen Roche. Kelly, proud in yellow, and Roche dressed in the colours of the "best young rider" on his first Tour.

"We used to talk of Kelly as you would speak of a legend," Roche recalled, never realising that they would stand together as winners. Kelly had one day as leader. Roche lost the white jersey to Laurent Fignon, who won the Tour at his first attempt. Roche still finished an impressive 13th.

Four years on he wore the yellow jersey to the Champs Elysees finale, but there was drama on the way. In his fight to stay within striking distance of the lead Roche pushed himself to the limit on the climb to La Plagne, and had to be revived with oxygen at the finish line.

He was never far from controversy that year. He won the Giro d'Italia after needing police protection from angry fans. He had, in their eyes, ruined the hopes of his Italian team-mate Roberto Visentini, but the steward Irishman knew that Visentini could not maintain his challenge. So he attacked to take the

leader's pink jersey from Visentini, split his Carrera team's loyalties, and suffered the blows, insults, and threats of roadside spectators.

To crown a royal year, he won the world road race title at the Austrian town of Villach. Only the legendary Eddy Merckx had achieved the Tour, the Giro, and a world championship in the same year. Roche was on hallowed ground.

It was a glorious era for Ireland. Sean Kelly had four years as the winner of the Tour's green jersey for consistent placings. He also won five stages, the 1988 Vuelta a España, two world championship bronze medals, and a string of classics.

Roche's career had traced that of Elliott as he took up an apprenticeship with a Parisian club, AC Boulogne-Billancourt, the accepted stepping stone to the professional ranks.

Elliott made it by winning five amateur classics in his year with ACBB. Roche's key to the paid ranks was victory in the amateur Paris to Roubaix, a race fought out on cobbled tracks.

Kelly needed persuading, and only when a persistent manager arrived on the doorstep of his father's farm did Kelly sign a contract.

Kelly thought himself too young at 19 to become a professional. "I signed just to stop all the nagging," he once said. That was 22 years after Elliott made his mark.



Sean Kelly (left) won the Tour's green jersey four times while Stephen Roche won the yellow jersey in 1987

Inpho Pics



Boardman's recovery problem

BY ROBIN NICHOLL

CHRIS BOARDMAN is doubtful about his Tour de France prospects after visiting a specialist yesterday, five days before the big race opens in Dublin. "I am pursuing health problems. There isn't a quick fix. It will take a few months," he said, but declined to disclose the specialist's findings. "I will go to the Tour, but I am not expecting a great deal."

Boardman has been concerned about a slump in his ability to recover a crucial factor for most sportsmen, especially those about to tackle 3,850 kilometres, including climbs in the Pyrenees and the Alps.

Since his remarkable debut in 1994, when he won the opening time trial at a Tour record speed of 55.152kph to take the yellow jersey, the Tour has been his main objective, and a bogey.

A year later he crashed out on the first day with a fractured ankle and wrist. He completed the 1996 Tour, and last year was back in the yellow jersey after winning the first-day time trial in Rouen. Then after 13 days he pulled out after trying to compete with two vertebrae displaced by a crash in mountain mist.

Boardman's hopes had been heightened by his time trial successes in pre-Tour build-up races, the Dauphine Libere stage race in France and the Tour of Catalonia, which he later quit. He was a non-starter for his final race, the Route du Sud, because of a gastric complaint.

firm, and Roche mixes his promotional work with commentating for Eurosport.

Five years have passed since they retired, but the influence of Kelly and Roche was sufficient to sway the Tour organisers into starting in Dublin.

In cheering the Tour through Ireland, thousands will pay their homage to the pioneering Elliott, and the Tour will honour his memory with a flower-laying ceremony at his grave on Sunday.

That day's racing will start in Dundrum, the birthplace of Roche, and the third and final day in Ireland will take the Tour de France through Carrick-on-Suir, Kelly's home town, passing Sean Kelly Square on its way to Cork.

The Tour is coming home. Will it inspire a new Kelly or Roche?

Tennis: Sampras provides the continuity with fifth title as new era looms on the grass courts of Wimbledon

Novotna feasts after her years of famine

BY JOHN ROBERTS

LOOKING as elegant as her tennis, Jana Novotna affected an air of scepticism. "Every year since I first came to Wimbledon," she said. "I heard a rumour that on the final Sunday there was a dinner for the champions. I did not believe it. And now that I am actually here, I still cannot believe it."

Novotna had swallowed a fair amount of evidence. On an occasion when even the most disciplined players renege on diets, the Savoy tempted the palate with Le Saumon d'Ecosse Fumé, La Soufflé au Fromage, Les Noisettes d'Agneau à l'Estragon, Les Pommes Parisiennes, Le Rendez-vous de Légumes, La Tulipe aux Fruits d'Été Sorbet au Champagne Rosé.

While perhaps not worth a wait of 13 years, the food (not to mention the Chardonnay and the Château Roudier), and most especially the ambience gladdened Novotna's eye. "I prepared a speech on the way here," she said, "but I have had a few glasses of wine and I cannot remember it." She remembered perfectly well, and served it without a fault.

Pete Sampras may have been one of the people who circulated the rumour about the dinner. He was in attendance as an honoured guest for the fifth time in six years, having taken out a lease on the Centre Court ("my practice court," as he calls it).

"As a kid when I saw [Björn Borg's] five it was a little overwhelming to think about it," he said. "I never thought that I would be in a position to tie it. When I was playing out there today I said to myself, 'Hey, you're doing OK.'"

Although many people were hoping that Goran Ivanišević would win the men's title after losing in two finals, and that the 26-year-old Croat would be sitting on the top table on Sunday, breaking bread with Novotna, there is something reassuring about the reign of Sampras. Wimbledon has seen champions

TIM HENMAN has moved up to 13 in the world rankings - his highest position - after reaching the semi-finals at Wimbledon. Greg Rusedski has dropped one place, to six in the world, following his injury-affected first-round defeat. Sam Smith has jumped 36 places to 58 - the highest ranking for a British woman for six years - after reaching the last 16.

of many varieties come and go and has been prepared to integrate change with tradition, on and off the courts. Fresh faces are not only welcome, they are essential, but the enduring presence of a Sampras or a Navratilova in their midst helps to preserve an important sense of continuity.

A year ago, a brilliant 16-year-old, Martina Hingis, attended her first Champions' Dinner, and many more

feasts may lie ahead of her. In 1996, Steffi Graf celebrated her seventh Wimbledon title, after which injuries threatened premature retirement.

It was good to see Graf return this year at 29, even though she lacked sufficient match fitness to do herself justice. In the circumstances, Natasha Zvereva took the opportunity to end a sequence of 17 defeats by the great German, winning their third-round match.

Although Graf will endeavour to play again next year, it is possible that the 29-year-old Novotna's victory on Saturday against the 30-year-old Nathalie Tauziat, of France, will prove to be a last hurrah for the older generation until the current crop of teenagers find themselves discussing how fast the years slip by.

Novotna, who virtually beat herself when she met Graf in the 1993 final, gave Hingis more than a hint of her capabilities while losing to the Swiss prodigy after taking the opening set of last year's final. In the later stages of her triumph over a grass-court lesson to the 18-year-old Venus Williams, the older of the two impressive American sisters, and then put Hingis in her place in the semi-finals.

All of the above took place while the "Voice of Wimbledon", Chris Goringe, the All England Club's chief executive, was taking a few deep breaths between broadcasting soursous bulletins concerning the

weather. Eddie Seaward, the head groundsman, ensured that the courts did not become a rain forest, and Alan Mills, the referee, shuffled the playing schedule with customary dexterity. In the unlikely event of a retractable roof on the Centre Court or Court No 1, Mills would have the tournament completed by Wednesday on the opening week.

A spectacular rainbow was one of the highlights of the middle Saturday. Although Tim Henman was unable to reach the end of it, his performance in becoming the first Briton for 25 years to reach the last four of the men's singles was a source of enormous encouragement. The 23-year-old from Oxford, in taking the first set of the tournament off Sampras, prepared the champion well for Sunday's five-set tussle with Ivanišević.

Henman has taken home support to the heart of the men's championships for the past three years, and we have become accustomed to, though certainly not blasé about, an elevation of the national profile. The shock came when our leading lady, Sam Smith, defeated a former champion, Conchita Martínez, and landed in the last 16. The stock of the 25-year-old from Essex did not exactly plunge when Tauziat went on to the final after defeating her for the loss of only four games.

The notion that the tall, dark left-hander opposing Sampras in the final might have been Britain's Greg Rusedski was a non-starter, even though the fourth-seeded Rusedski did start the tournament after injuring his left ankle in a fall while competing at Queen's Club less than a fortnight earlier.

Unable to complete his first round match against the Australian Mark Draper, the 24-year-old Rusedski then found himself without a coach. Tony Pickard, from Nottingham, resigned, saying that Rusedski was no longer prepared to listen to him.

It will be interesting to see who the man with the biggest serve and smile in the game turns to next. Rusedski, who plans to return to the courts at an ATP Tour event in Washington DC a week next Monday, faces the prospect of defending the ranking points he won as a finalist at last year's United States Open. It can be tough at the top.

Before leaving London to "chill out" prior heading for the concrete courts of Los Angeles at the end of the month, Sampras was asked if he thought he could double his number of Wimbledon titles. "I'll take them one at a time," he said. The digestive system can only stand so much.



Jana Novotna finally enjoys her moment of triumph after losing in two finals Robert Hallam



Jana Novotna and Pete Sampras at the Champions' Dinner on Sunday night

Allsport

Southern hemisphere tour: England coach can expect hot reception when he returns from break to face inquest

Battling Woodward will need to box clever

BY CHRIS HEWETT
Rugby Correspondent

NO ONE can accuse Clive Woodward of failing to enter into the spirit of the moment. Not content with watching a grass-green and generally anonymous England squad fight losing battles against southern hemisphere opposition of the very highest class, the national coach decided to liven up his summer tour by provoking a few private punch-ups of his own.

John Hart and the New Zealand hierarchy were first on the hit list, closely followed by Australia's senior referee, Twickenham's G and T brigade, the South African Rugby Football Union, the management of one of Cape Town's many Holiday Inns and, if truth be told, more than a few of Woodward's fellow tour administrators.

Phew. It will be nothing short of miraculous if he has any strength left to face what is certain to be a fiery debriefing session at HQ. Woodward intends to spend the rest of this week at the football World Cup and there are many who believe he would do well to add the Tour de France, an Alpine hiking holiday and a six-month break at a Franciscan monastery to his holiday schedule. Anything but return to south-west London and the wrath of the Rugby Football Union hierarchy.

English rugby has been contested more fiercely off the field than on it for the last three years, but not even the familiar grey-suited protagonists - Cliff Brittle, Fran Cotton, Sir John Hall and their ilk - could have imagined the degree to which Woodward would up the ante during his five weeks down south.

If few of his predecessors would even have dreamed of telling the All Blacks where to get off in such forthright fashion, particularly after a record 60-point Test defeat, it is absolutely certain that none would have used their own plastic to underwrite a lock, stock and barrel

THE WINNERS: THE PLAYERS WHO ROSE IN THE SOUTH					
GRAHAM ROWNTREE Strangely anonymous on the Lions tour last year, a central figure this time round. Rowntree retrieved his reputation from the back end of beyond with an authoritative contribution to England's front-row effort and a World Cup place is now his for the taking. Amazing what one Ian Jones stamp can do for a career.	BEN CLARKE You start to wonder how England ever left him out. Clarke bore the mark of the warrior on his forehead from the moment he left Heathrow and he fought his corner with urgency, passion and pride. If England even consider going into the World Cup without him, southern hemisphere eyes will blink in disbelief.	TONY DIPROSE On that awful Sunday before the Saturday before in Brisbane, Diprose looked all washed up with nowhere to go. Then came Rotorua and a personal display of such mind-boggling courage that the New Zealand Maoris were positively dripping respect come the final whistle. Who will say now that he doesn't have what it takes?	MATT DAWSON If you want to split hairs, you can question Dawson's tactical appreciation. Most observers will not bother. Dawson worried the All Blacks with flashes of individual brilliance, tackled beyond the limits of normal endurance and stood tall as a leader both on and off the paddock. A big advance from a big game player.	MATT PERRY Four years ago, another West Country full-back, Paul Hull of Bristol, stood firm against the Springboks as the rest of England crumbled around him. Only to be blown out by the selectors with indecent haste. Perry will not suffer similarly. Great maturity plus a full range of skills make him very special indeed.	THE TOUR ORGANISER Thank you so much, whoever you are. No-one is rushing to admit responsibility for an itinerary that would have persuaded Marco Polo to surrender his passport, but 30-odd players will not rest until they find the guilty man. England should steer clear of Captain Oates Tours and use a respectable operator in the future.
THE LOSERS: THE ONES LEFT DOWN AND OUT DOWN UNDER					
ALEX KING It is always depressing to watch a gifted individual consumed by self-doubt and there is now no guarantee that the Wasps stand-off will ever bring his subtlety to bear on the test stage. King's obvious lack of match fitness left him open to the ravages of New Zealand's Polynesian and Maori contingents and the results were grisly.	STEVE RAVENSCROFT Strong and reliable in the club environment, five yards short of a gallop at the top level. Ravenscroft was blown away by Tim Horan in Brisbane, not through any lack of application or technique but through a lack of genuine gas. It is difficult to imagine Greenwood, Guscott or Catt reaching for the sleeping tablets.	TIM STIMPSON Probably the most talked-about player of the tour, for all the wrong reasons. Those who believe Stimpson has merely lost his bearings are under fierce attack from those who insist he never had any to lose. Stimpson will need some enormous early-season performances at full-back for Leicester to reassert his credentials.	DANNY GREWCOCK Anton Oliver barely felt the impact of Grewcock's boot at that fateful scrum in Dunedin, but the Saracen giant is certainly feeling the consequences. The five-week ban will not worry the lock - he probably needed a break - but the performances of Rob Fidler and Dave Sims should be of the utmost concern. Silly boy.		

move to the plush hotel on the African continent.

The last month and a bit have been bizarre in the extreme. Here was the most bone-headed tour itinerary, the most ludicrously over-stuffed support squad, the least experienced team and the most outspoken coach in the history of the English game, all thrown together in the same pot. It is only a mild exaggeration to suggest that Richard Cockerill, Leicester's rent-an-independent hooker, emerged from the tour

as a voice of common sense. At least he had a good time.

Certainly, the RFU will not be remotely amused by the fact that the £1.25m they splashed out on the trip - the figure does not include the £10,000 or so lavished on Woodward's now notorious hotel upgrade in Cape Town - bought them little or nothing in the way of solace. Their first full-time salaried coach remains intensely hostile to the general structure and modus operandi of the governing body, objects

strongly to the terms of the Mayfair Agreement hammered out between the union and its senior clubs and stands unashamedly four-square behind Cotton and his radical plans for a root and branch overhaul of the red rose game.

These are all matters of opinion and Woodward's views are every bit as legitimate as the next man's; after all, he has the job of planning next year's World Cup campaign. But while English rugby remains in so volatile a state, he should tread

carefully, especially now that John Mitchell has proved himself so central to the national cause. While the chief coach was lobbing verbal hand grenades from the rooftops, his assistant was downstairs in the basement with a whip in his hand and sweat on his brow. Mitchell had a very, very good tour and if Woodward has any enemies at Twickenham, they will not have been slow to notice the work behind the scenes put in by his right-hand man.

Worryingly for England, the play-

ers who got themselves noticed were those about whom we already knew more than enough; while the Graham Rowntrees and Ben Clarkes resurrected their Test careers, the young pretenders did little more than pretend.

There were honourable exceptions among the rookie regiment - notably Phil Vickery, Pat Sanderson, Rob Fidler and Tom Beir. Vickery is now a cast-iron fixture at tight-head and Sanderson a handy hunk of super-fit cover for either Neil

Back or Richard Hill on the open-side flank. Fidler proved himself a better footballer than Garath Archer, if not a harder nut, while Beir may just have what it takes to solve England's chronic wing problem. Matt Dawson also did himself a power of good, both as a scrum-half and a potential captain. Woodward will still be drawn towards Lawrence. Dallaglio's proven leadership skills when England's first team, as opposed to their development side, return to the gallops in the autumn, but Dawson's performances have propelled the absent Wasp clean out of whatever comfort zone he has been inhabiting since the middle of May. "By not touring, Lawrence gave away the No 6 shirt and the captaincy and it just so happens that the two stars of the tour, Clarke and Dawson, were No 6 and captain respectively," said the coach pointedly.

The midfield cupboard remains distinctly Mother Hubbardish in appearance, however. Josh Lewsey does not yet possess the kicking game to hold down the stand-off berth and, while Jonny Wilkinson can kick like a mule, his confidence levels must be positively subterranean after Brisbane. In the centre, the non-travelling fixtures are still in place: Will Greenwood on the inside and Jeremy Guscott. If he can be bothered, on the outside. The new boys were all given a run but none of them moved an inch.

Much has been written about the crass stupidity of inflicting so arduous a tour on so callow a party and every word of it rings true. Contracts may have been signed and television deals may now be deemed more sacrosanct than the four Gospels, but on no account should England ever again contemplate such a programme. According to Woodward, they will not; at least, not while he is in the box seat. It is one private battle that he must not be allowed to lose.

'Social' drug users tarnish sport's image

RONNIE O'SULLIVAN yesterday escaped a ban for substance abuse at the Benson & Hedges Irish Masters last May. The 22-year-old world No 3 feared he might be put out of the game for a period of time because he is already serving a two-year suspended sentence following an attack on a press officer at the 1996 World Championships.

But O'Sullivan, who attended yesterday's disciplinary committee meeting of the World Professional Billiards and Snooker Association in Bristol, has been punished by being stripped of the Masters title and its accompanying prize of £61,000. That money is now due to the runner-up, Ken Doherty, who is now regarded as the official winner. For O'Sullivan, however, the decision will have come as a relief.

O'Sullivan, who was accompanied by his manager, Ian Doyle, and solicitor, Henri Brandman, issued a brief statement. "Ronnie accepts the decision of the enquiry," Brandman said. "He has apologised for the use of cannabis which was an isolated occurrence some five days before the tournament in question."

"The committee accepted the submission made on Ronnie's behalf that he didn't take the substance for the purpose

Ronnie O'Sullivan's punishment for cannabis use reflects a problem for governing bodies. By Mike Rowbottom

of enhancing his performance in the event."

This is not the first high-profile drug case within the world of snooker.

Ten years ago the former world champion Cliff Thorburn was fined £10,000 after testing positive for cocaine, and Thorburn's Canadian colleague Kirk Stevens also fell foul of the authorities because of a cocaine habit.

Another Canadian, Bill Werbeniuk, found his top class career was effectively brought to a close when the WPBSA put beta-blockers on their banned list of substances. Werbeniuk said he required the drug, which has the effect of stabilising the pulse, because he had a medical condition.

O'Sullivan's case has been preceded by two similar incidents in the last year within the sport. Yorkshireman Paul Hunter, the Welsh Open winner, was fined £4,550 and docked 1,140 rankings points after testing positive for cannabis at the 1997 Grand Prix event in Bournemouth. Steve Ormerod, of Lancashire, also tested positive

for cannabis at last year's B&H Championships, incurring an £800 fine.

Although it was acknowledged that O'Sullivan's transgression was not intended to gain unfair advantage over his opponents, one of the factors which has clearly been of paramount importance to the committee is the image of the game. In a statement released after his positive test was confirmed, O'Sullivan described himself as "deeply ashamed". He went on to acknowledge his responsibility as a role model to youngsters and apologised to his fans, vowing to "make amends for his conduct by offering his time to local schools and youth groups to press home the message that youngsters should say 'no' to drugs."

The responsibilities referred to in O'Sullivan's apology were highlighted in a statement by the president of the International Olympic Committee, Juan Antonio Samaranch, who declared that athletes should be an example for today's youth.

But the growing number of cases in which sports have had



Ronnie O'Sullivan was relieved to escape without a ban after being found guilty of drug abuse. Brian Jones

to deal with "social" drug use indicates that the youth of today are not entirely clear about which examples they should be following.

At the Winter Olympics in February, Canada's Ross Rebagliato was stripped of his snowboarding gold medal after his urine sample showed traces

of cannabis, only to have the decision reversed because of a discrepancy between the IOC rules and those of snowboarding's guiding body, the International Ski Federation.

Cricket also experienced problems when Ed Giddins, of Sussex, tested positive for cocaine in August 1996. He was

banned until April this year.

Football adopted a similar stance in the case of Roger Stanislaus, the Leyton Orient defender who received a year's ban after taking cocaine. But a higher-profile cocaine user, Paul Merson, has maintained his career, and indeed recently played for England, after

undertaking a rehabilitation programme.

The National Rugby League in Australia have attempted to deal with widespread use of "social" drugs among its players by removing mandatory penalties for cannabis use. The onus is now on individual clubs to deal with erring players.

Unsettled McRae is target of new club

RUGBY LEAGUE
BY DAVE HADFIELD

SHAUN MCRAE is the man Gateshead want as coach if they are awarded a Super League franchise for next season. The North-east outpost is the front runner for a place in the competition in 1999 and St Helens' refusal to talk to McRae about a new contract until the end of this month has left him amenable to an approach.

McRae is coming to the end of his current three-year deal at Saints, who won the inaugural Super League championship and the Challenge Cup twice under him. However, his position has looked increasingly untenable with the departure of David Howes as chief executive and the arrival of Eric Hughes as football operations manager.

The Rugby League is investigating an alleged altercation between Bradford's James Lowe and Leeds spectators after he was sent to the sin bin at Headingley on Friday night. Lowe and the Leeds stand-off, Tony Kemp, were both put out of the game for 10 minutes for fighting, but trouble flared again when the Bradford hooker took his place on the bench just feet from home supporters.

Objects were thrown in his direction and a policeman was called on to intervene when Lowe seemed to respond. Some reports claim that Lowe has been spat at, but the player has not confirmed that.

Peter Rowe, a League spokesman, said: "We have called for reports from both clubs to find out what happened and prevent any more incidents of this type in the future."

Lowe's team-mate, Graeme Bradley, has gone into print as referring to Shaun Edwards, who recently left the Bulls to rejoin the London Broncos, as "a bad apple" in his column in the Bradford evening paper. Bradley says that team spirit has returned since Edwards' departure.

New Zealand are refusing to play the scheduled mid-week games against England and Wales on their short tour this November. The Kiwis were due to play the extra matches in Gateshead and South Wales as well as the three Tests against Great Britain. But their coach, Frank Endacott, feels that after a long season and two Tests against Australia, "it would be too much to ask", said the League's chief executive, Neil Tunncliffe.

England and Wales, already due to play each other later this month, are now likely to meet again in November to fill the gap in their calendar.

Scott Naylor is out of England's team to play Wales at Widsnes. The Salford centre damaged a shoulder during the match against Warrington on Sunday.

Carter extends Monty's misery

GOLF
BY ANDY FARRELL

FOR COLIN Montgomerie, it must have been "Oh, no, not again." But David Carter was feeling something far different. "When I was on the buggy going back to the 18th, I just thought it was meant to be," he said. "After everything I had been through, almost losing my ball on the 16th and holing that putt on the last to get into the play-off, I thought it was meant to be."

Carter was right. The 26-year-old, born in South Africa but based at his father's driving range at Handley Wood in Chesterfield, won the Murphy's Irish Open at Druids Glen at the first extra hole and extending Montgomerie's ever-worsening play-off record to one win in seven attempts.

The Scot, who had been trying to win the title for a third successive year, was in no mood to comment. In a calmer

moment, perhaps at the Standard Life Loch Lomond tournament this week, Monty would doubtless, in his inimitable style, say something along the lines of "As I have said before - too many times before - I was not beaten over 72 holes."

Often Montgomerie has done well just to get into a play-off, and, apart from the satisfying time when he defeated Ernie Els on the South African's home patch at Sun City, has often been outdone by something spectacular from his opponent. Both were true of the 1995 US PGA at Riviera, when Montgomerie birdied the last three holes to go

level with Steve Elkington, who then holed a 25-footer at the first extra hole.

On Sunday at Druids Glen, Montgomerie produced the lowest score of the leading contenders, a three-under 68 to Carter's level par 71. He was five behind with eight to play but his inward half was characterised by no dropped shots and just two birdies at the two par-fives.

But in the play-off, the Scot hooked his drive into deep rough. This shot has crept into his usually arrow-straight driving during the last 10 months when he has been without a coach. While it is one thing to de-

fect and correct errors on his own for the following day, it is another to prevent them occurring at all at the vital moment.

Montgomerie's recovery shot found the water and Carter was not required to putt. Moments earlier he had holed a terrific putt on the last green to get in the play-off when he himself had visited the water.

Carter had been four ahead with six to play but suffered more than the odd agony on the way to his maiden victory, and one that brought a first prize of £158,991, four times his previous highest cheque, and an exemption for the Open Championship next week.

Is it too simple to attribute the way he faced up to his problems - with a mixture of determination to overcome his mistakes and good sense to take advantage of his good fortune - to his having gone through the experience of emergency brain surgery last year? "When you almost die," he said, "to come out and play

golf, and to win, is an unbelievable feeling."

At the 16th, Carter tried the aggressive play of taking a four-wood from a fairway bunker, but sliced his ball into the jungle. "I'd do the same again, it was just a bad swing," he said. The ball was finally found - "by two young boys who I owe a lot to" - but the next shot was fraught with danger.

With nowhere nearby to take a penalty drop, Carter elected to play the ball where it was in the knowledge that one hack and it could have been buried further in the undergrowth. "I couldn't watch," said Miguel Vidor, the rules official witnessing the incident. But Carter managed to get the ball to more forgiving rough and limited the damage to a bogey six.

At the end, he was immediately pounced on by a television interviewer, who was quick to remind him of his near-death experience. "I might not have been here at all," Carter said. "I don't know what more I can say."

Whitaker dresses up for dressage test

EQUESTRIANISM
BY GENEVIEVE MURPHY

MICHAEL WHITAKER will be in a hurry to get to the Royal Show at Stoneleigh, where he rides Virtual Village Twostep today, in time for his first ever dressage test in the Horse and Hound Eventing Grand Prix at the Royal International Horse Show at Hickstead. This intriguing new competition will be completed tomorrow over a course of 26 fences in and around the international arena.

Whitaker's chances of teaching the event riders a lesson and claiming the £2,000 proceeds of a bet with Paul Schockemöhle, who devised the contest, were diminished last Tuesday when Evert, his intended partner, went lame. He will now compete on Bruno Goyens' Cavalier, a horse he has ridden only twice. Richard Davison, the British Olympic dressage rider, will be lending clothes to Whitaker. He

has already given the show jumper rider a couple of dressage lessons.

Five show jumpers will compete against the cream of the eventing world: Whitaker and William Funnell from Britain, Wout-Jan van der Schans, a former event rider, and Piet Raymakers from the Netherlands, plus this year's World Cup winner, Rodrigo Pessoa from Brazil.

Added zest will be provided by the British Equestrian Insurance Brokers' jackpot, which would go to Chris Barle if he follows up his Badminton victory with a win tomorrow. Should a show jumper take the £5,000 first prize, he could claim the jackpot by winning next month's British Jumping Derby.

Whitaker returns to more normal pursuits for the show jumping contests, which include the Sainsbury Nations Cup on Friday, when he will join forces with his brother, John, Geoff Billington and Di Lampard to form the Great Britain team.

SPORTING DIGEST

ATHLETICS

INTERNATIONAL AMATEUR ATHLETIC FEDERATION (IAAF) results: Men's 100m: 1 D Campbell (Eng) 10.35sec; 2 M Conn (Ire) 10.40; 3 J Scholze (Ger) 10.59; 4 V White (Eng) 10.70; 200m: 1 T Washington (USA) 20.90; 2 S Wells (Jama) 20.93; 3 R Ryan (Ire) 20.99; 4 M White (Eng) 21.38; 400m: 1 T Washington (USA) 1:01.10; 2 J Scholze (Ger) 1:01.10; 3 R Ryan (Ire) 1:01.10; 4 M White (Eng) 1:01.10; 800m: 1 T Washington (USA) 2:01.10; 2 J Scholze (Ger) 2:01.10; 3 R Ryan (Ire) 2:01.10; 4 M White (Eng) 2:01.10; 1,600m: 1 T Washington (USA) 4:01.10; 2 J Scholze (Ger) 4:01.10; 3 R Ryan (Ire) 4:01.10; 4 M White (Eng) 4:01.10; 3,200m: 1 T Washington (USA) 8:01.10; 2 J Scholze (Ger) 8:01.10; 3 R Ryan (Ire) 8:01.10; 4 M White (Eng) 8:01.10; 6,400m: 1 T Washington (USA) 16:01.10; 2 J Scholze (Ger) 16:01.10; 3 R Ryan (Ire) 16:01.10; 4 M White (Eng) 16:01.10; 12,800m: 1 T Washington (USA) 32:01.10; 2 J Scholze (Ger) 32:01.10; 3 R Ryan (Ire) 32:01.10; 4 M White (Eng) 32:01.10; 25,600m: 1 T Washington (USA) 64:01.10; 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Anger as Wilson joins Wednesday

SHEFFIELD WEDNESDAY yesterday appointed Danny Wilson as their manager but no sooner had his move to Hillsborough been sealed, and John Hendrie installed as Barnsley's manager in his place, than a row broke out between the clubs.

John Dennis, the Barnsley chairman, criticised the way Wednesday had lured Wilson away. "Let me make it absolutely clear from Barnsley's point of view that the events of the last few days were unwelcome, unsolicited and very disappointing," he said.

"We tried everything to get Danny to stay. It wasn't a money thing. Danny Wilson had a good relationship as a player with Sheffield Wednesday, and it was the only club he would have left Barnsley for."

"Wednesday contacted me in the middle of last week, and I told them to go away but I was honour-bound to tell Danny

about the approach and events took off."

Wilson claimed he was fulfilling a "once-in-a-lifetime" chance to manage the club he served as a player for three years between 1990 and 1993.

"These opportunities very rarely come around," Wilson said. "I hope the match is a good one. The decision to come to Sheffield Wednesday was easy - the difficulty was leaving Barnsley. That was the hardest part. I must stress that the way the transfer has been handled has been very, very professional. I certainly wouldn't have come if the deal hadn't been done correctly."

The new Barnsley manager, Hendrie, said: "I had no inkling whatsoever. I talked it over with my family. I met the chairman on Sunday and we agreed in principle. I have got the total support of the players. I don't foresee any problems."

Middlesbrough yesterday signed the Crystal Palace full-back Dean Gordon for £900,000 and their manager, Bryan Robson, will also bring the Manchester United defender Gary Pallister back to the club this week in a deal worth about £2m.

Rangers have completed the signing of the Argentinian-born attacking midfielder Gabriel Amato for £4.2m from Spain's Real Mallorca. The former River Plate player has agreed a four-year contract at Ibrox.

Stuart Ripley has completed a £1.5m move from Blackburn to Southampton.

Shaka Hislop will complete his free transfer from Newcastle to West Ham today.

Chelsea, the European Cup-Winners' Cup holders have been fined £4,000 by Uefa, European football's governing body, after their fans misbehaved during the semi-final defeat of Vicenza.

Liverpool go for West

BY ALAN NIXON

TARIBO WEST, Internazionale's Nigerian World Cup centre-half, could be heading for Liverpool in a £5m deal before the end of the week.

Liverpool's manager, Roy Evans, watched the powerful West, famed for his green-beaded hair, in the finals in France and was having talks with Inter yesterday about making him his major summer cash signing.

Evans had been interested in West but he made his move only when he heard that Everton's new manager, Walter Smith, who had wanted to sign West when he was in charge at Rangers, was hoping to take him to the blue side of Merseyside.

Liverpool were last night

trying to agree a compromise figure with Inter, whose initial asking price was £8m.

Liverpool have been keen to sign a tough centre-half and West fits the bill. Although he had a patchy World Cup for the exciting Nigerians, there are not many top-class defenders available and West did well in the demanding Italian Serie A last season.

His personal terms should not be a major problem for Liverpool, who pulled out of a move for France's Marcel Desailly because of his wage demands. Evans was also keen on Germany's Jürgen Kohler, but he did not shine at France 98 and his age, 32, was considered too old by the Liverpool board.

Graeme Souness, the coach of Benfica, has made an un-

expected approach to Oldham Athletic for Carl Serrant, their England Under-21 left-back. Serrant, who has rejected a new contract at Oldham, is due to fly to Lisbon this week for talks about a what would be a free transfer.

Souness needs to replace Scott Minto, who is coming home to rejoin Charlton, and Serrant is regarded as suitable as there is no fee involved and Benfica are short of money.

Serrant, who has also attracted interest from Liverpool and Leicester City - has been unable to move domestically because Oldham are asking £1m for him. However, he can go abroad for nothing and the Second Division club are anxiously awaiting the result of his talks with Benfica.

United likely to tackle Poles

BY RUPERT METCALF

IF MANCHESTER United are to renew their relationship with the Champions' League next season, they must first survive a tricky August trip to either Poland or Azerbaijan.

Their failure to retain the

Premiership title last term means that the Old Trafford club must participate in the European Cup's second qualifying round. They will entertain either LKS Lodz from Poland or Kapaz Gáncá, the champions of Azerbaijan, in Manchester on 12 August - four days before the

Premiership season starts - with the return leg on 26 August.

The Poles are United's most likely opponents. On their only previous trip to Lodz, they met Widzew Lodz, city rivals to LKS, in the first round of the 1980-81 Uefa Cup. The Poles drew the first leg in Manchester 1-1, with Sammy McIlroy scoring for United. The second leg was a goalless draw, which meant United were eliminated on away goals.

Celtic and Rangers, along with Kilmarnock, must commence their European campaigns later this month. In the European Cup first qualifying round, Celtic meet the Dublin side, St Patrick's Athletic. If the Glasgow side proceed, they will take on Croatia Zagreb.

In the Uefa Cup first qualifying round Rangers have been drawn against another Republic of Ireland side, Shelbourne. Also in the Uefa Cup, Kilmarnock must travel to Bosnia for their first leg, to take on Zeljeznicar Sarajevo. In the Cup-Winners' Cup, which does not commence until next month, Heart of Midlothian will meet Lantana Tallinn of Estonia.

Second semi-final: Jacquet discovers formula to lift the national gloom



The French captain, Didier Deschamps, keeps his eye on the ball as Bernard Lama looks on during a training session yesterday. Reuters

Les Bleus beat Le Pen

BY JOHN LICHFIELD
in Clairefontaine

THE FRANCE v Croatia World Cup semi-final tomorrow could be the making of a nation. Not Croatia. We know all about them and their somewhat unpleasant nationalistic cavorting after the defeat of Germany.

Tomorrow's semi-final could be the making, or re-making, of France: as a footballing nation, as a confident nation and, most of all, as a confidently multi-racial nation. Until this week few foreign journalists bothered to make the awkward trek out to Clairefontaine, the French team's headquarters, deep in the forest of Rambouillet. Yesterday there were 500 journalists, most of them foreign, for the home squad's open training session and press conference.

Although the French clearly have a talented team, although home advantage traditionally scores heavily, no-one much - not even the French press and public - counted "les hommes d'Aimé Jacquet" or "Les

Bleus", as they are affectionately known, among the favourites to win the World Cup.

After the penalty shoot-out victory against Italy in the quarter-final last Friday, everyone - even the French press and public - has decided abruptly to take the French team seriously.

Following the Italian victory, the Champs Elysées (and not just the pavements) filled with noisy revellers, most of whom had come in from the suburbs. Even more eloquent, in its way, was the single tricolour flag poking out of a window of an apartment in my staid and bourgeois quarter of the 17th arrondissement. This was the neighbourhood's first public recognition that an international football tournament was being played in France.

And was that large team poster of the French squad, proudly displayed in the corner bar on the Avenue Carnot, already there last week? I don't think so. In the *Journal de Dimanche* on Sunday, Alain Gesteau, one of the most interesting French political and social commentators, laid claim

to the success of the French team as a political and social, as well as a sporting, event.

If the French go on to the final - their first ever - it could, he said, finally dispel the gloomy mood which has gripped the nation since the mid-1990s. It would be the proof that, despite the new national taste for self-denigration, the French could still do things with panache, and most of all, that they could still beat the world.

Even more importantly, France would have done so with a team that "looks like the real France" of the late 20th century, he said: a mixture of ethnic Arabs, Africans, Armenians, Pacific islanders, Russians, as well as players from most of the white, French tribes: Provençals, south-westerners, northerners, Bretons. "What a wonderful blow to the big, fat nose of Jean-Marie Le Pen," Gesteau said. Last week *Le Monde* reported that the French were still the most overtly racist nation in Europe but that outright hatred of immigrants and foreigners was, at least, declining. A cartoon

showed a Frenchman in a beret, with baguette under his arm, being interviewed by a pollster: "So you don't really detest foreigners, then?" the pollster asked. "Not as long as they carry on scoring goals," the stage Frenchman replied. (The excellent daily supplement on the World Cup published by *Le Monde*, which refused to cover sport until a couple of years ago, has been one of the features of France 98. The austere daily bible of the political, intellectual and literary classes has contributed to the widening audience for *Le Mondial* in France.)

There is also, however, a purely footballing apothecosis at stake tomorrow. French football has been gaining in strength for years, nourished in part by hungry and talented youth from the "quartier difficiles" of the big conurbations: Zidane, Henry, Barthez (as well as Cantona). French players, driven out of France by crippling taxation, now staff some of the biggest clubs in the Italian, English and Spanish Leagues. But the national team - apart

from the home victory in the 1984 European Championship - has tended to stumble, failing at the last four in the World Cups of 1982 and 1986, and failing to qualify in 1990 and 1994.

Lionel Charbonnier of Auxerre, the French third-choice goalkeeper, is hardly one of the well-known names of the Jacquet squad. But, at Clairefontaine yesterday, he eloquently summed up the feelings of his team-mates about tomorrow's semi-final: "Four years ago, eight years ago, we looked at the Italians and the Germans and we thought: 'We're as good as they are'. But it was always them who got through to the last stages, not us. This year, we're through and not them."

"Before, people said that with players like ours we should be winning. Now, because the players have gained strength from playing abroad, we have players who want to go down in history. I think you can say that France is on the point of becoming one of the great footballing nations."

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THE GLOBAL GAME

THE WORLD CUP AROUND THE WORLD

GERMANY PLUNGED into a bout of soul-searching yesterday as football experts, journalists and the general public tried to cope again with World Cup failure.

The national team's 3-0 defeat by Croatia on Saturday was the second successive time the Germans had gone out in the quarter-finals. The defeat prompted calls for more investment in young players, a radical rebuilding of the national team and a recall for the temperamental playmaker Stefan Effenberg, Germany's equivalent of Paul Gascoigne.

"All our best performers and natural leaders are re-

tiring. There's only one person who can take over their role - Stefan Effenberg," the former West German coach and captain Franz Beckenbauer wrote in *Bild*, a tabloid newspaper.

The future of his successor as coach, Bernd Vogel, was also under discussion. In a poll by the television station RTL, 50.6 per cent of callers said that Vogel should stay, while 49.4 per cent thought he should go.

Although there was a general acceptance this was not one of Germany's most talented teams, they still faced criticism for a lack of creativity and sportsmanship.

SHE IS always a sight for sore eyes in any case but whenever the television cameras home in on Ronaldo's girlfriend in the Marseilles crowd tonight some members of the spread betting fraternity will be rubbing their hands with particular glee. Sporting Index is awarding five points for each time the lovely Susanna Werner, a model and a decent footballer, too, is caught on camera at the Brazil v Netherlands semi-final. The company quotes a spread of 15-18 points.

Those opposed to the golden goal - a number who include Oliver Bierhoff, even though he profited from the system to shoot Germany to the European Championship crown two years ago - will be heartened to hear that Fifa is exploring alternative methods



DIARY

of deciding matches between teams who finish level after 90 minutes. The favoured replacement is to continue with the golden goal but to play out the entire 30 minutes of extra-time. If a single goal accrues then that team is the winner. If the other side draw level the team scoring the first goal wins, placing the onus on their opponents to score twice in the time re-

maining. If no goals are scored penalties come into play. Alternatives to the spot-kick shoot-out have also been pursued - and thrown out. One was for penalties to be taken after 90 minutes, so that in the event of a draw after extra-time the winners would be known in advance. Another suggestion, tested in a youth tournament, was to take penalties at the start of the game.

Four years after the World Cup was staged in the United States, the level of recognition there remains surprisingly low. Only 52 per cent of adults living in the US knew the World Cup was a football competition and only 25 per cent were aware it is being played in France, according to a survey.

Compiled by Trevor Haylett

First semi-final: Competition's only two candidates for greatness meet in Marseilles amid echoes of past battles

Fire and ice hold keys to victory

The Dutch may finally have found both the collective will and the talent to overcome Brazil tonight. By Glenn Moore

IT HAS been noted that, though blessed with moments of sublime individual brilliance by the likes of Bergkamp, Owen and Ortega, this World Cup still waits for greatness, either individual or collective, to emerge.

If it is a dozen years since an individual, in Maradona, truly transcended this quadrennial jamboree, one has to go back much further to find a great team. Brazil, in 1970, may have been the last outstanding winners; the Dutch, four years later, and Brazil again, in 1982, the last glorious failures.

This has much to do with the levelling of standards and the increased attention to defensive organisation which, together, have made it easier to stop good teams. However, with the various refereeing crack-downs, both here and at USA 94, attacking football is back in fashion and

tonight, at the Stade Velodrome, this World Cup's only two candidates for greatness - France being too impotent, Croatia too Machievellian - take the stage.

Appropriately they are the modern-day heirs to the teams of Pele, Cruyff and Zico in the third major World Cup meeting between Brazil and the Netherlands. In 1974 a Cruyff-inspired Dutch team beat Brazil - then, as now, the holders - 4-0. The game marked the passing of a baton. "Their football," recognised Roberto Rivelino, a member of the '70 and '74 Brazilian sides, recently, "caused a rev-

olution, it was totally different. We made that exit so the men behind could enter." But not to succeed. West Germany, blessed with great individuals but not a team to stir the soul, defeated the Dutch in the final.

The Dutch lost again, bitterly. Argentina in 1978 then slumped until, four years ago, they reached the quarter-finals only to lose 3-2 to Carlos Alberto Parreira's relatively methodical, but ultimately successful, Brazilian side.

Now they meet again. Both have shown glimpses of the sort of football from which legends are made. For the Netherlands Dennis

Bergkamp, with country as with club, has been spasmodically brilliant. There have been cameos from Marc Overmars and Patrick Kluivert in attack, from Wim Jonk and Edgar Davids in midfield, from Frank de Boer in defence.

For Brazil Ronaldo, despite doubts about his fitness and condition, has revealed his class when required. Rivaldo is growing into the heavy responsibility of bearing the No 10 shirt. Cafu and Roberto Carlos have shown flashes of fire on the flanks, and Dunga has confirmed the value of experience while demonstrating an underestimated ability to see and play a pass.

But, so far, they have flattered to deceive. For a change it is they who seem dis-united, not the Dutch. The team operates in parts, not as a whole and the tensions within surfaced when Dunga, who plays as if

raging against the dying of the light, clashed with Bebeto during the win over Morocco.

The Dutch appear to have a greater togetherness. Gus Hiddink has worked hard at integrating a side fissured along two lines. Culturally the white Dutch players have little in common with the black players of Surinamese descent. Professionally there was a divide between the Ajax family and the outsiders, most of whom are from Hiddink's former team, PSV Eindhoven.

Hiddink's most crucial accommodation is with Davids. Thrown out in Euro 96, he is now an awesome presence. "We had some problems in '96 but they talked it out and it can't happen again," said Overmars. "Now the team spirit is good."

There are still little differences: the racial groups are said to have

had alternative recreational priorities in the pre-World Cup training camp in Switzerland, but they are minor. In a coincidental but timely feature, the *International Herald Tribune* yesterday made the point that, while there are racist feelings in the Netherlands, they are subdued and there is no support for any would-be Dutch version of Jean-Marie Le Pen, the French racist politician.

One unwanted bonus Hiddink has is that tragedy has introduced a sense of perspective. Jonk, though still playing football of clarity, is labouring under the pain of the death of his best friend mid-tournament. All have seen the fate of Winston Bogarde, a loner but not without friends, suffer a broken leg on Sunday just as Arthur Numan's suspension opened the way for his chance. With specula-

tion at the Dutch training camp that Overmars will not be fit in time, it seems likely that either Philip Cocu will drop back with Boudewijn Zenden coming in for Overmars, or that Aron Winter will take over at right back as part of a more defensive formation. To balance this loss Brazil must bring in Ze Carlos, who was selling water melons, fixing cars and playing part-time a year ago, for the suspended Cafu.

While the English and the Germans create great teams by the force of collective will, the Dutch and Brazilians undermine great teams by the lack of it. This time, however, the Netherlands may have acquired the sense of purpose to go with their talent. With Brazil still torn between the desire to entertain and the need to win, the Dutch have the ability and ambition to take advantage.

Demons of Dallas fade as Leonardo finds liberty

A rash moment at USA 94 has haunted the brilliant Brazilian, who today can move closer to redemption. By Adam Szreter

THE WHEEL has come full circle for Leonardo Nascimento de Araujo. It is almost exactly four years to the day since the Brazilian midfielder player was sent off after fracturing the skull of Tab Ramos of the United States in San Francisco during a second-round match at USA 94.

The incident occurred in the closing minutes of the first half. Leonardo lashed out as Ramos held on to him, catching the America player just above the ear. Ramos was out of action for three months, while Leonardo was given an unprecedented four-match ban, effectively expelling him from the tournament. That it happened on American soil, on 4 July, probably did not help his cause, but Leonardo has always denied intent.

"He was holding my arm and my natural reaction was to shake him off," he said at the time. "Unfortunately he was falling and I hit him in the face. It was only when I saw the reaction of the other players that I realised what had happened. I wasn't getting wound up, I had no reason to be. We were enjoying our best spell of the game. To hit an opponent goes against my principles and all the things I stand for in football."

Leonardo's last statement has been born out by the way his career has unfolded since then, but he found few supporters at the time. The Brazilians, 1-0 winners, appealed in vain and went on, minus Leonardo, to the quarter-final five days later in Dallas - against the Netherlands. "It's funny how history repeats itself," Leonardo, now 29, said earlier this week. "I missed the chance to face the Netherlands then and now I'm getting another."

Despite that setback Leonardo, an attacking full-back in those days, was in great demand after the World Cup but he surprised many by choosing to move to Kashima Antlers in Japan. He was by no means the first Brazilian to take that road - his idol, Zico, played for the same club, going on to become technical director, which was

the main reason why Leonardo settled on the J-League club.

He enjoyed almost two seasons of rehabilitation there, setting Kashima Antlers on their way towards J-League title success in 1996. Always a popular figure in Japan, he learned enough Japanese to address his adoring fans on the occasion of his final match. More pertinently, his disciplinary record was exemplary.

He moved on to Paris St-Germain, where again he proved an instant success, so much so that Milan came in for him at the start of last season with an offer he could not refuse.

Once more, however, he bade farewell in style with a virtuoso performance in what was almost his last game for PSG. Trailing 3-0 from the first leg of a European Champions' League preliminary round tie with Steaua Bucharest (PSG had actually lost 3-2 in Romania but were penalised for fielding a suspended player by mistake), the Brazilian inspired them to an unlikely 4-0 triumph back at the Parc des Princes.

In Italy Leonardo suffered along with many of his club-mates - Ibrahim Ba's poor form cost him his place in the French squad - as Milan struggled last season. Leonardo lost his place in the Brazilian side for the Confederations Cup in Riyadh earlier this year and he had to settle for a place on the bench for the opening match of France 98 against Scotland. However, he came on as a substitute that day, has kept his place in the side ever since and tonight's game against the Netherlands should mark his 45th cap for Brazil.

When the countries met in Dallas four years ago Brazil won 3-2, with Dennis Bergkamp among the scorers for the Dutch, and Leonardo foresees a similarly tight encounter tonight.

"It will be hard, given the way that the Dutch have gone from strength to strength," he said. "I'm surprised and impressed by the way some strong individuals have



Brazil's Leonardo (right) shadows Ronaldo (foreground) in training yesterday

managed to adapt to a collective mentality."

Having added French and English to his repertoire of foreign languages, with Italian probably to come, Leonardo has become something of a spokesman for his teammates at this World Cup.

However, the bad memories of the last World Cup are still fresh enough in his mind that he would prefer not to dwell on the errors of his past.

Instead, he has been concentrating on cementing his place in Mario Zagallo's side so that, if

Brazil make the final this time, he will not miss out again.

"I hope we'll meet France in the final," he said, tempting fate just a little. "It is my adopted home, I like the people here, and the culture. But if we have to play them, we'll win."

Stam aims to live up to his world record fee

Football's most expensive defender has other things on his mind as he prepares to face Brazil. By Glenn Moore

DENNIS BERGKAMP took the pass in his stride and moved towards goal. A defender barred his way so he dropped a shoulder, executed a shimmy, and went to step past. But out snaked a foot and, in an instant, the ball was at Jaap Stam's feet instead. He strode into midfield and slid a pass into the path of a teammate.

A scene from the Dutch training session yesterday evening at Aix-en-Provence and, Alex Ferguson hopes, one which will be repeated at Old Trafford and Highbury next year.

This is what Manchester United have paid £10m for, a defender who is good with his head in the cerebral sense as well as the aerial, who stays on his feet and is as capable in possession as in depriving somebody else of it.

Doubts have arisen, though, about his ability due to an unfortunate mis-kick against Mexico, which allowed Luis Hernandez an injury-time equaliser, a clumsy challenge which conceded an unconverted penalty to Yugoslavia, and for being at fault when Claudio Lopez beat the Dutch offside trap against Argentina. Although his distribution has been good it is beginning to look defensively as if United have brought a dud, with even Stam admitting that he has been surprised by the consistently high level of opponents.

This evening we can all judge for ourselves as he faces the best striker of them all, Ronaldo, a one-time teammate at PSV Eindhoven. When they played together, in 1995-96, Ronaldo was a 17-year-old boy from Brazil, Stam a late-developer from the country. Now they meet in a World Cup semi-final at the Stade Velodrome.

"He was just a kid," remembers Stam. "He was timid and didn't say very much. But you could see at first sight that he had a terrific talent. You knew he would be very good."

Stam's future rise was less obvious. He did not turn professional until he was 19 and then it was with Second Division Zwolle, near Kampen, the small town of his birth. He moved to Cambuur Leeuwarden and Willem II Tilburg, each time under the tutelage of Theo de Jong, the former Netherlands international. Finally, in 1995, he signed for PSV, an ex-midfielder who had been converted into a right-back. Injuries meant he was rushed in at centre-back and it was the making of him. By the end of the season he was an international - albeit only for 10 minutes in a pre-Euro 96 friendly.

Though in the squad he did not play in the tournament, but then an outstanding display in a friendly earned him a run in the side. His opponent that day? Ronaldo.

"He is a great striker but I know what I have to do against him," said Stam. "I must mark him closely to prevent him turning with the ball. If he is allowed to do that, and to run at me, we will have problems because he is so quick and moves so easily through defences."

Stam plays with a yellow card against him, received when he brought down Vladimir Jugovic - and conceded the first penalty given against him all season. "Another would put me out of the final," he admits, "but I can't think about that."

He feared he would be out of this game, and probably the Netherlands out of the competition, when Ariel Ortega tumbled over his foot in the closing minutes of the quarter-final. "I shut my eyes for a few seconds and waited with apprehension for the referee's decision. I wasn't certain that I hadn't committed a foul. After I'd seen it from various angles I could tell Ortega had dived over my leg. He deserved a yellow card. FIFA want to protect attackers but they must also think about defenders. They should make a film about the divers in this championship, the Mexicans, especially Blanco, are particularly good." He exonerates Ronaldo from this charge, of whom he says approvingly: "He doesn't dive. He always tries to keep his feet."

Stam is unconcerned about the size of his fee, except to remark with astonishment that the commercial centre of his home town was recently sold for the same amount. A Manchester United fan as a youngster with a liking, also, for Chris Waddle and Glenn Hoddle, he added: "I have seen Dutch players go to England, like Bergkamp and [Marc] Overmars, and do very well so I hope I do well also."

At present he has more pressing matters on his mind, with the main one being not the prospect of facing Ronaldo but the imminent birth of his first child. Stam has said that when his wife calls he will go home even if it means missing the final. This may be the reason, suggest Dutch observers, that his play has not been of the standard that led Johan Cruyff to call him "one of the best defenders in the world."

Manchester United fans may be relieved to know that the baby is due to arrive long before next season starts...



Stam: Knows he must stay focused in tonight's semi-final

Laudrup ends international era

THE DANISH striker, Brian Laudrup, yesterday announced his retirement from international football and declared his intention to put all his efforts into making a success of his move to Chelsea.

The 29-year old former Rangers player has decided to follow his older brother, Michael, in retiring from the national side following the Danes' 3-2 defeat by Brazil in last weekend's World Cup quarter-finals.

"I've got a footballing hang-over. It's time for a younger player to take my place," said Laudrup Jr, who scored two goals in France 98.

"I'm stopping after one of the biggest matches the

Danish team have ever played. I've had enough after reaching a World Cup quarter-final and winning the European title.

"It has nothing to do with the defeat. On the contrary, I'm proud of that game. I made up my mind after it. Now I want to concentrate on my club football with Chelsea, and my family."

Laudrup, who informed the Denmark coach, Bo Johansson, of his decision after the Brazil game, made his Denmark debut in 1987 and scored 21 goals in 82 international matches.

"I started at the age of 18, so I'm probably satiated before the others," added

Laudrup, who turns 30 next February.

Laudrup said he intends to finish with all football at the end of his Chelsea contract.

"The contract with Chelsea will be my last one," he said. "I made the decision six months ago, so it has nothing to do with the fact that my brother is also quitting all football now."

The coach who guided the Netherlands to the 1974 World Cup final, Rinus Michels, was in a "stable condition" in hospital yesterday after suffering a heart attack.

Michels, 70, was the mastermind of the Netherlands' "Total Football" philosophy of the 1970s and the man who

laid the foundations for Ajax's emergence as a major club, with their European cup successes of the early 1970s. He was rushed to hospital after being taken ill early on Sunday following the Netherlands' 2-1 quarter-final win over Argentina in Marseilles on Saturday.

"He is no longer in a critical condition, he is stable and our best wishes go to him," said a FIFA spokesman. Keith Cooper, who added that Michels - who had a heart bypass operation about 15 years ago - was expected to be able to leave hospital in a few days.

Known as "The General", and one of the most influ-

ential coaches of the last 25 years, Michels has also coached Barcelona. In 1988 he returned as the Netherlands' national coach and guided them to victory in that year's European Championship.

Daniel Passarella, the man in charge of the Argentina side that lost to the Netherlands at the weekend, may be replaced by Nestor Pékerman, but no decision is expected until next year. The president of the Argentine Football Federation, Julio Grondona, said he will not rush to judgement on picking a successor. "We have until 1 January to choose a new coach," he said.

Pékerman is the obvious candidate for many, however, after his huge success with Argentina's junior teams over the past four years. He coached Argentina to the World Youth Cup in Qatar three years ago and retained the trophy in Malaysia last year. This May his Under-21 team won the Toulon international tournament in France on the same day that his Under-17s won another event in Italy.

Those opposed to Pékerman had hoped Passarella might be replaced by the former international striker Carlos Bianchi, but this possibility appeared to evaporate when Bianchi was appointed coach of Boca Juniors.

J'accuse: farce and fear taint a flawed finals

PRE-TOURNAMENT OPTIMISM is eroding. If the World Cup finals are about discovery – of great players, a great team, the state of the international game – then the shedding of a tear or two is in order.

Arguably things are much worse than that, for despite the odd glorious moment, a few wonderful contests, what France 98 has confirmed for the discerning football lover is that the contemporary game is unhealthy.

Forget the leader-writers and the idle observers commissioned to write on the feature pages. Forget also the droll commentary of our television critics. There is a dismal view, which draws from a well of spite and ignorance.

Think instead of those who remember World Cups past, for whom the game of football is glorious, the ordinary fan who can recall with authority another era, the age of Pele, Bobby Moore, Johan Cruyff, Bobby Charlton, Zico, Socrates, Paolo Rossi and Franz Beckenbauer, footballers who left their mark on World Cups past, setting the standard by which those aspiring to greatness today must be judged.

It was not just the way yesterday's heroes played. They looked the part. Those footballers were men of character, heroes by any standard. They were, in short, the reason why we follow football, why football is worth following.

Wealthy in all other respects, we know for witnessing France 98 that the game today is impoverished where it matters most, in spirit. Ironically it is for the old fools in blazers that we should compose a lament. Nostalgic for Sir Stanley Rous? Sir Stanley was president of Fifa, football's world governing body, once upon a time, a bluff old codger, a figurehead of fun. But not the kind of politician-spirit who governs football today, frantically engaged in deals of one kind or another, to do with sponsorship, television rights and other corporate ventures.

Where Sir Stanley and his ilk presided benignly, those in Uefa, the



EAMON DUNPHY

European association, and Fifa, who govern football today, impose on every aspect of the game: from shots filmed by the television cameras designed to create the illusion that the venues are packed with happy fans from competing nations – when in fact the fans are herded into pens to serve the television director's needs – to the manner in which the game is refereed by officials malleable enough to secure and retain a place on Fifa's panel.

It is not for want of outstanding footballers that this tournament will be remembered, rather for the anarchy prevailing on the pitch. And this in turn reflects a crisis of authority which leaves players and coaches with contempt for the laws of the game and those charged with enforcing them. Don't blame the match officials for they are victims, too.

The two men responsible are Sepp Blatter, Fifa's new president, and Michel Platini, the former French footballer co-opted to the organising committee for cosmetic purposes. The edict issued by Blatter and Platini to tournament referees has ruined the competition. The proposed reform forbidding dangerous tackles from behind is half-baked, at best. Good tackling is one of football's great skills. The best referees do not need a memo from Fifa to discharge their responsibilities. Good referees can easily discern between fair and foul intent. Mandatory punishment such as that prescribed by Blatter and Platini

merely serves to deny referees their most indispensable aid, discretion, and the exercise of their own common sense.

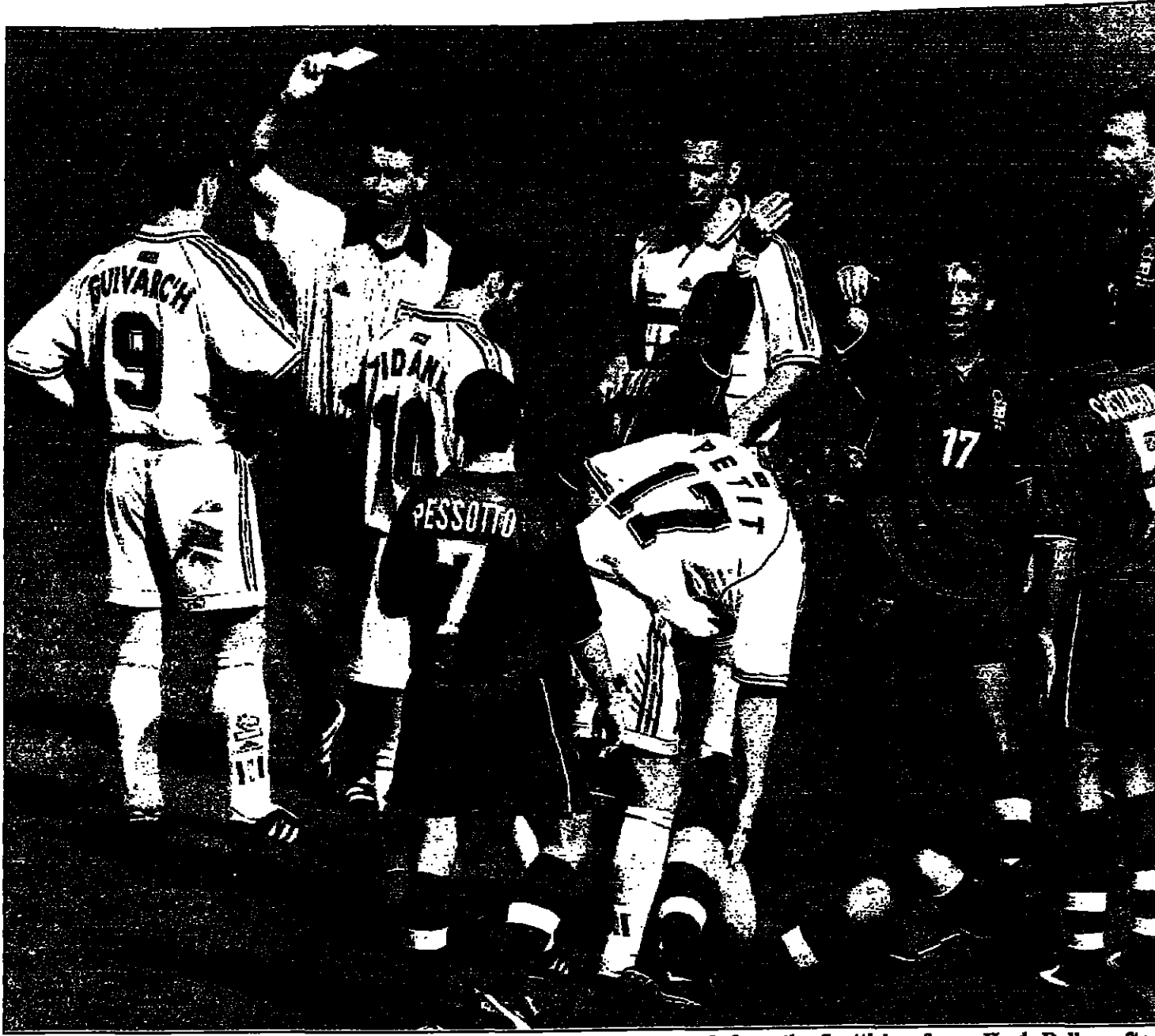
Common sense, justice, fair play, all are inextricably linked, all must be applied on a case by case basis. The absence of natural justice has characterised France 98 to the point of madness. Too many vital games have been defined by decisions taken by referees who are palpably afraid. No wonder players cheat. One does when justice is undermined.

If the tackle from behind is discredited, the elbow in the face offers an even more pernicious threat. If the skill of tackling is cast into disrepute, the black art of diving acquires commensurate value. Shirt-pulling becomes the vogue. Brazen obstruction goes unpunished, every game blighted by petty deceptions, the law laid down by Blatter and Platini is a sledgehammer, more threatening to the honest, mistimed, challenge than the sly swallow dive to turf.

Bearing all of this in mind one reflects despairingly on the weekend's quarter-finals, and looks forward with trepidation to the tournament's conclusion this week. Of the four quarter-finals, in only one – Brazil against Denmark – has the football proved decisive. To their credit, the Brazilians and the Danes concentrated on the business in hand, eschewing the nefarious. The best team won after a fright. From each of the other games a bad taste lingers, a sense that cynicism and ineptitude were the determining factors, football a casualty.

France deserved Friday's victory over Italy via the penalty shoot-out. But the football was a grim farce, remarkable for the Italians' persistent and flagrant fouling as they defended set-pieces in their own penalty area. Obstruction and shirt-pulling was the order of the day, the referee, Hugh Dallas from Scotland, affecting to be blind to the chaotic scenes, which bordered on farce, before his eyes.

When the France striker



France's Stéphane Guivarc'h escapes with a yellow card, rather than a red, from the Scottish referee, Hugh Dallas, after making contact with Italy's Fabio Cannavaro with his elbow during the quarter-final

Stéphane Guivarc'h resorted to back-alley retaliation by smashing his elbow to the face of his principal tormentor, Fabio Cannavaro, Mr Dallas chose yellow instead of the more appropriate red card. A cameo of consistency, the issue avoided.

Yet sitting in their hotels players from other competing countries would watch and wonder, what was permissible, what was not. To which the only rational response was... whatever you could get away with. When justice is a lottery anarchy is assured. It is not surprising, therefore, that the Germans felt hard done by when, 24 hours later, the full-back Christian Wornas (justifiably) dismissed for a desperate lunge at the Croat Davor Suker, a master diver, who this time needed no excuse. That decision changed the game, Croatia proving surprisingly adroit at exploiting their extra man. It was, however, in a splendid con-

test on Saturday afternoon, between the Netherlands and Argentina, that the deplorable whimsy that is the consequence of the Blatter/Platini edict was most destructively evident. A wonderful World Cup quarter-final was reaching a suitably intense climax. The football was compelling, an engaging contrast in styles, a treat however sadly diminished by its subtext: a hopelessly compromised Mexican referee who had issued a fistful of yellow cards, the implications of which began to bear inexorably upon him and the players in his charge.

Señor Brizio Carter might already have dismissed Jaap Stam, Roberto Sensi or Jose Chamot, all of whom he had shown a yellow card to earlier. Alas, with 13 minutes of the game remaining, it was the Netherlands' left wing-back, Arthur Numan, who fell foul of Carter's neurosis.

Someone had to go and Numan

was. Booked early in the first half for a relatively innocuous challenge, the Dutchman was dismissed for a rash tackle on Diego Simeone. Compound injustice. Numan had been influential in turning the game in the Dutch's favour in the second-half. He is a notably clean player.

Perhaps with that in mind Mr Carter then felt obliged to compensate. In the event he did more than that. Argentina, with an extra man, began to reverse the flow of the game. The momentum was with the South Americans. Two minutes from time Ariel Ortega won possession, attacked Stam in the penalty area, and was fouled, unquestionably in my view. Carter, now the principal character in our story, deemed otherwise.

Frustrated, Ortega stuck his head in Dutch goalkeeper Edwin van der Sar's face and joined Numan on the sidelines. A football match of true

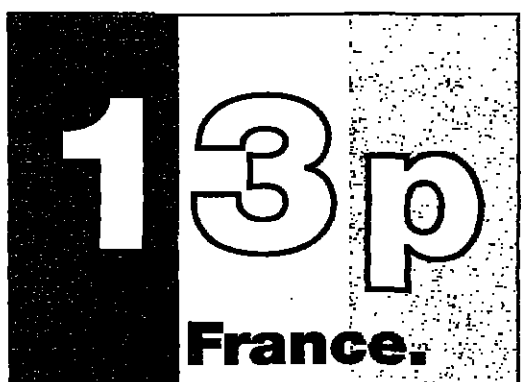
World Cup final calibre was, thus, rendered a farce. There followed a moment of exquisite irony, by which this contest was decided, a template one could argue for all the perplexing folly of France 98: bemused and angry Argentina lost their concentration; Frank de Boer struck a magnificent 60-yard pass from his own half towards Dennis Bergkamp, who had found a yard of space between three defenders; the striker's first touch was perfect, his second elegantly elusive, his third an explosive volley to the corner of Argentina's net.

Bergkamp, the perfect hero for France 98, the perfect idol of the modern game: sneaky, selfish, vicious, brilliant. His wicked stamping of the Yugoslav Sinisa Mihajlovic was redeemed in a glorious instant. No justice.

For that France 98 must depend on Brazil tonight.



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Searching for the truth in Tapie's sackfuls of francs

Bernard Tapie, the man at the centre of the Olympique Marseilles bribes scandal of five years ago, has just written a book about the affair. In an imaginary interview, Andy Martin attempts to discover if Tapie was villain or victim.



ANDY MARTIN
AT LARGE IN FRANCE



THE CLOCK struck three as Bernard Tapie walked through the door. It was kind of a surprise. "Monsieur Tapie!" I said. "How kind of you to come. But I thought your publishers said that you were 'tranquillising yourself' after a gruelling television interview?"

"You mustn't believe everything people tell you," he said. Bernard Tapie, the former chairman of Olympique Marseilles, former Government minister, and now former jailbird, has just brought out *Librement*, a book he wrote while in prison. He had a charming smile and thick wavy hair and a damn nice suit too.

Nevertheless, I felt duty-bound to put some hard questions. "Is that right that you have a habit of inventing meetings that never took place?" I said.

"Nonsense!" he retorted with a laugh. "No more than I have a habit of denying meetings that did take place."

He is probably best known, in England at any rate, for steering Marseilles to European Cup glory in 1993 and then blowing it big-time as it gradually came out that one opposition team had been bribed to throw a league game the previous season. A sackful of francs was found buried in the garden of a Valenciennes player, Christophe Robert. Someone must have given him the dough, but who?

It was alleged that on the 17 June 1993 at 3pm Tapie had a meeting in his Paris office with Boro Primorac (the Valenciennes trainer) at which he was supposed to have bribed Primorac to carry the can. But then Tapie pulled a rabbit out of the hat in the shape of a meeting with Jacques Mellick, a former minister and mayor of Bèthune, at that very same

time of 3pm which demonstrated that Tapie could not possibly have been bribing anyone.

The alibi was sound, except that Mellick turned out to have been several hundred miles away in Bèthune at the time the meeting was supposed to have taken place. "That was a mistake," Tapie said.

"And this business of the money in a bag in the garden?" "You're digging up that old story? That was all media manipulation. Did that money have my name on it? No. And anyway, the Valenciennes players who blew the whistle – if they were telling the truth they should have told it the day before not the day after. You don't tell stories like this after the match."

I'd always had a sneaking sympathy for this position myself. Either take a bribe or don't, but don't bury it in the garden, it's not as if it's going to grow.

"A patron of bar in Marseilles

once said to me that the real scandal was that you never paid these guys enough and if you had it would never have come out."

"200,000 francs, this is not peanuts..." Tapie said. "Ah! You English! This is what you call a trick question, no?"

According to Tapie, we should be looking to see who stood to gain most from a fix.

In the event Valenciennes lost 1-0 and were relegated. It's true that Valenciennes had a stake in staying up, just as Marseilles had a stake in winning a game that would guarantee the championship and qualify them for Europe. But what is clearly wrong is the supposed motive, as stated by the judges, that "Marseilles had to win this match to guarantee playing in the final against Milan". They couldn't even tell the difference between a league game and the European Cup.

Reading Tapie's book you get the impression not so much

that he was innocent but rather that corruption in the French league was so universal that you had to join in just to stay on a level playing field: fictional "loans", "commissions to go-betweens on transfer deals, off-shore companies, friendly "draws". He was simply a scapegoat, while the real Mr Big figures are still at liberty.

Tapie clearly felt that his sentence of eight months was a touch harsh. Not to mention the three years (half suspended) and a Fr300,000 fine on top on account of other financial crimes.

"All the irregularities corresponded to practices that were certainly regrettable, but widespread. The final destinations of all the sums Marseilles distributed were largely identified, except for some three or four million francs out of a budget of two billion over a period of seven years. Now that's not a bad average surely?"

The real mystery is how Tapie managed to run up a Fr1.3bn debt owed to Crédit Lyonnais.

"Do you think you might ever go back into football?"

"In my position, some would be disenchanted with football for ever. But I have not missed a game during the World Cup."

"France are doing amazingly well."

"You are thinking of the penalty shoot-out?" He looked reflective. "It makes you wonder, doesn't it?" He looked at his watch. "I have to fly," he said. "I'm supposed to be hundreds of miles away."

Then he disappeared. And the clock finished striking three.

SPORT

NO LOOKING BACK FOR LEONARDO P25 • O'SULLIVAN'S DRUGS PENALTY P22

Obdurate Croft saves England

CRICKET

By DEREK PRINGLE
at Old TraffordSouth Africa 552-5 dec
England 183 and 369-9
Match drawn

HOLD THE Prozac, English cricket is alive and kicking and living in clover. Well, not exactly, but that would have been the feeling here yesterday when England, defying both the odds and Allan Donald, managed to cling on to an improbable draw.

Talk about leaving claw marks in cliff faces. Only Test cricket could throw up such a tense drama after England had been outplayed for all but one of the five days. Their survival, while unable to paper over deep-seated flaws, has at least kept the series open, though much soul searching, as well as some pruning, will have to be done before they gather at Trent Bridge in 10 days' time.

The tension during the final hour of play was immense, for both sides. Suddenly, a crowd that had booed England earlier began to bellow and cheer every ball that they kept out, as the drama, improbable 48 hours earlier, reached its climax.

When the third new ball was taken, England had lost eight wickets. That soon became nine when Darren Gough fell to a brute of a throat ball from

Donald. With two runs needed to make South Africa bat again, the last man, Angus Fraser, walked to the crease.

In what seemed an endless barrage from Donald, Fraser survived unbowed for 13 balls, while Robert Croft, as much a mainstay of this rearguard as his skipper Alec Stewart, was with his 164, squeezed Makhaya Ntini into the covers for two to level the scores.

Although hardly ranking in the list of memorable shots, it meant that South Africa would have bat again, a move that saved England's last pair from having to face two extra overs – the number reduced for the change-over of innings.

Fittingly it was Croft, who had batted just over three hours for his unbeaten 37, who made the game safe, though he need not have faced the 87th over of the day from Paul Adams. Effectively the game had been saved when Fraser survived the last ball of the previous over, something neither umpire appeared to realise.

It was a fine performance from England's much maligned late middle-order. When Stewart's dismissal – half an hour after lunch – had caused the home side to slump from 293 for 3 to 296 for 6, all looked lost. But Croft, abetted by Gough and earlier Mark Ramprakash, kept the marauders at bay.

How frustrated Hansie Cronje and his men felt was not obvious, despite this being the second time they have allowed a down-and-out England to wriggle free. A difficult side to beat, the visitors have a reputation of not being able to nail their men, and England's great escape will gnaw away for a while yet.

The South Africans are a reserved bunch and only Donald's disbelief at an low shout against Fraser – incidentally, missing leg stump – betrayed their edgy mood. Mind you, if anyone deserved a moment to air his grievances it was Donald, who bowled superbly to take 6 for 88, his best against England.

It could have been different for South Africa and they clearly missed the support bowling of Lance Klusener, though Peter Marren's solid pitch offered little but some slow turn to Adams.

If the pitch was in England's favour, pressure still plays its tricks and the first breach of the day came just before noon. Having become virtually becalmed by Donald's initial burst, it was with some relief that Michael Atherton latched on to a long hop from Jacques Kallis. Two balls later a repeat of the shot found the top-edge of the bat instead of the middle, the bowler having put some extra height and pace on to the ball.

Even so, it took a marvellous running catch by Ntini at long leg, the fast bowler eventually making Atherton pay for his extravagance by holding the ball by his bootstraps. Tellingly it was not the first time Atherton has been duped like that in front of his home crowd.

No batsman, even Atherton, feels entirely comfortable blocking for the sake of it, and Ramprakash, like Stewart, clearly decided to be as positive as possible. When he was last confronted by a similar situation in Antigua, survival alone had proved Ramprakash's undoing.

Stewart, meanwhile, the fluency and verve of his strokeplay betraying the parlous position of his team, brought up his 150. It is difficult for batsmen like Stewart to rationalise that runs do not really count in such situations, though in the end, by drawing level with South Africa's total, England



England's Darren Gough takes evasive action during his stubborn innings yesterday

Peter Jay

Stewart, Atherton let off the hook

By HENRY BLOFELD

THE HOOK is an optional stroke. Steve Waugh, for example, does not think it is worth the risk and never plays it. Other players, like Mike Atherton and Alec Stewart, are compulsive hookers and in two moments of sheer madness yesterday they came close to costing England the match.

There is nothing in cricket which is more exciting for a batsman than to hook a genuine fast bowler off his eyebrows for four. However, no batsman, even those sound in judgement and quick in footwork, is immune from being out to the hook. If the ball bounces unexpectedly high or keeps a fraction low, it will hit the edge of the bat and there are other technical dangers.

Other batsmen, such as Ian Chappell, who knew the risks of the hook and who felt it produced an income which more than took care of the risk, see the shot as a percentage stroke worth playing.

From this, it can be seen that it is never a percentage shot for a side following on 369 runs behind, especially when neither batsman plays it faultlessly.

Atherton has a history of trying to fetch bouncers which are too far over to the off-side without moving inside the line. He cannot then control the stroke and there are occasions when his bat comes up under the ball, giving long leg catching practice. He did this off Courtney Walsh in the Barbados Test.

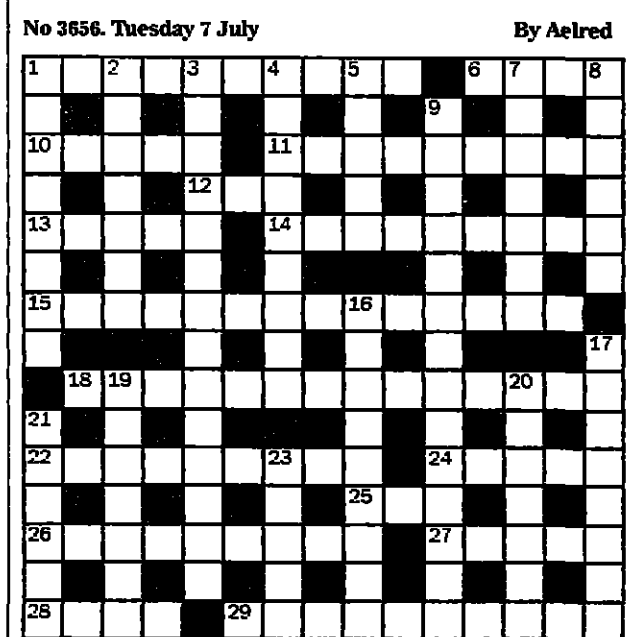
Yesterday it was a clever piece of bowling by Jacques Kallis who, two balls earlier, had given him a gift which he had hooked for four. Then along came another short one, outside the off stump. Stirred by the confidence of the first stroke, Atherton went for that too and Makhaya Ntini held a good catch at fine leg. Even in this situation, Atherton was unable to resist it.

Stewart was just as bad later on – if anyone can be bad when they have made a stirring 164. Allan Donald, having trouble with his ankle, was bowling round the wicket which meant that the line of the ball was taking it further away from the right-hander and wide of the off stump. Added to that, there were two men back on the boundary behind square for the catch. Like Atherton, Stewart could not help himself.

OLD TRAFFORD SCOREBOARD

South Africa won toss	
SOUTH AFRICA – First innings 552 for 5 dec (G Kirsten 217, J H Kallis 132, D J Cullinan 75, W J Cronje 69n).	
ENGLAND – First innings 183 (P R Adams 4-63).	
Second innings	
N V Knight c Boucher b Donald.....1	(20 min, 20 balls)
M A Atherton c Ntini b Kallis.....89	(375 min, 290 balls, 13 fours)
N Hussain b Kallis.....5	(29 min, 24 balls, 1 four)
A J Stewart c Boucher b Donald.....164	(422 min, 317 balls, 24 fours)
M R Ramprakash bow b Donald.....34	(107 min, 149 balls, 3 fours)
G P Thorpe b Donald.....0	(6 min, 3 balls)
D G Gough c Adams.....1	(19 min, 12 balls)
R D B Croft not out.....37	(150 min, 125 balls, 4 fours)
A F Fraser c sub (B M Mclennan) b Donald.....1	(14 min, 15 balls)
D Gough c Kirsten b Donald.....12	(78 min, 76 balls)
A R C Fraser not out.....0	(23 min, 13 balls)
Extras (20 b2 w1 nb2).....25	
Total (for 9, 680 min, 171 overs) 369	
Fall: 1-4 (Knight) 2-11 (Hussain) 3-237 (Atherton) 4-283 (Stewart) 5-281 (Thorpe) 6-296 (Croft) 7-323 (Ramprakash) 8-329 (Gough) 9-367 (Gough)	

THE TUESDAY CROSSWORD



- 1 Almost out one conservative where something is safely kept (10)
6 One bishop is a flighty type (4)
10 In favour of attempt to exercise restraint (5)
11 Pleads effectively about frequently being moderate (4-5)
12 Axe Liberal from sect (3)
13 A support could be taken so in surprise (5)
14 Much made of this inept duel fought (9)
15 Cold buildings need this reduced for Switzerland (7,7)
18 Perhaps net & fan for precocious brat (6,8)
22 Gauge light for cricket game (4,5)
- 23 About in a circle (5)
24 Ring after publicity causes a fuss (3)
26 English men upset about one taken in by car maker – Henry? (9)
27 Capable of being employed as upper-class roofing material (5)
28 Shout of Shetlander from here? (4)
29 Oilskins we set out in spoils (3-7)
- 1 Challenge shows one's fed up with one's awful acne (8)
2 Forced painter to be relevant? (7)
3 Radical haircut? (5, 9)
4 Jumbo was tried out by this person (4, 5)
- 5 Make greatly annoyed about fellow's weapon (5)
7 I dub one as a wanderer (7)
8 Money which is awarded to runner-up? (8)
9 Breakaway cliques suggesting US prog. (8, 6)
16 This can be applied until you are blue in the face (9)
17 Sewers heading south will be without point (8)
19 Ron's lit up this facial feature (7)
20 Mineral making British exit unusual with gold in (7)
21 Fellow in awfully dusty surroundings is strait-laced (6)
23 Office worker gets nothing in time (5)

saved themselves two overs. Prudence is still vital, however, and Stewart will have chastised himself for the shot that brought his seven-hour vigil to a close. Like Atherton, the England captain had just pulled a tired Donald for four when a repeat of the shot fell straight to Klusener, one of

two men stationed in the deep behind square on the leg-side. As it was, Donald came round the wicket for one last hurrah and ended with two wickets in four balls, yorking the severely restricted Graham Thorpe for a duck, his second of the match. The left-hander's back prob-

lem, which flared up again on Saturday morning, has severely compromised England's batting. But while a preliminary scan in May showed nothing sinister, you cannot keep picking someone who breaks down mid-Test, and Graeme Hick must now surely come into the reckoning for Trent Bridge.

Gooch plays a major role in great escape

By DAVE HADFIELD

ALEC STEWART was not entirely sure whether he had been praying or not on the balcony as the Old Trafford test drew to its dramatic conclusion. "It was probably just the way I sit," he said, "but, if it helped, thanks a lot."

Whilst the question of divine intervention must remain open, Stewart knew how much he owed to the grit and determination of Robert Croft, who held the England lower order together for long enough to save the match.

The off-spinner, his Test place under scrutiny after his unsuccessful bowling stint in the first innings, was "magnificent," said Stewart. "He says he's Welsh, but there's English in there somewhere."

Croft himself was prepared to take on dual nationality. "My great grandfather was from Essex or somewhere, but he walked all the way to Wales – that's how badly he wanted to get there. British, I am."

It was another Essex man

who was credited by both Stewart and Croft with improving the Welshman's batting since his uncomfortable experiences at the hands of Glenn McGrath.

"Last year you only had to bowl a short ball at him and he was out," said Stewart. "Graham Gooch has worked very hard with him, but most of the credit has to go to Robert. He's taken a lot of blows in training, but it was a tremendous effort by him today."

Stewart and Croft both praised the bit-part players – Darren Gough, batting bravely despite a recently healed finger – and Angus Fraser, to whom fell the task of keeping out Allan Donald's last over.

"It was a great lower order performance," said Croft, who revealed that his own technique was to think about anything but cricket until the last possible moment before each ball was bowled.

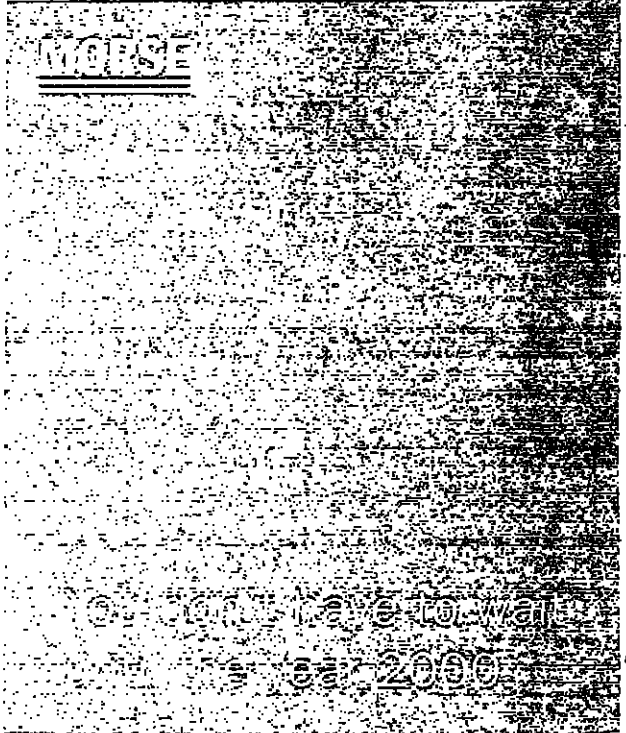
"I was thinking about the trout I'm going to catch when I go fishing, the house I'm having built, seeing my mates and asking them about the Welsh rugby

tour," he said. It sounds like a recipe for confusion, not to mention depression, but it worked for him and perceptibly lifted the mood of English cricket.

"We're not stupid enough to think we've conquered all our problems," said Stewart. "But we've given the public a lift. The last hour and a half seemed to last about five days, but it was all worthwhile."

Even Hansie Cronje conceded that it had been a compelling climax. "There are very few good draws in cricket but that will go down as one of the best," he said. "When we got Stewart out, I thought we had a very good chance of winning, but it was disappointing that we couldn't take the last wicket."

Cronje confirmed that, apart from Lance Klusener being unable to bowl, Donald had, despite his impressive figures, struggled throughout with an ankle injury. In the England treatment room, Graham Thorpe is to see a specialist about the recurring back injury that necessitated the use of a runner as he completed his pair.



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